

NEWS SUMMARY

GENERAL

Liberals demand donation changes

Mr. David Steel, Liberal leader, last night called for a ban on corporate donations to political parties, both from companies and trade unions.

Mr. Steel's proposal, which would be among the reforms demanded by Liberals if they held the balance of power in a future parliament, comes amid growing pre-election row on the issue between senior Labour and Conservative politicians.

The Liberal leader, speaking in his Rochford constituency, said he favoured the American system whereby limited tax relief was given on donations by individuals. Page 6

Second salmon victim dies

A second person has died from botulism poisoning after eating a tin of salmon. Mrs. Betty Farmer, 66, died in the Birmingham hospital where her husband, Terry, died last week. The other two victims are still "seriously ill".

Guard stabbed

A guard was seriously wounded in a knife attack at the British Embassy in Washington. Mr. Terry Hopkins, 35, from Hackney, London, was stabbed in the back, but he is expected to recover. A man is in custody, but the U.S. secret service says the motive for the attack is unknown.

Murder remand

Fahad Mihi was remanded in custody for a week at Marlborough Street, London, accused of killing an El Al stewardess on the Europa Hotel on Sunday. Mihi told the magistrate: "If you don't release me there will be something that happens against you that will not be good."

Embassy siege

Police stormed the Iranian Embassy at Wassenaar, near The Hague, to end a six-hour occupation by Iranian students protesting at the policies of the Shah.

Flights off

Manchester was the airport worst-hit by the 24 hour strike by British Airways maintenance engineers. No BA flights entered or left the airport but the action was less effective at London Heathrow. Page 6; Gatwick switch, Back Page

Lebanon talks

A Lebanese Moslem leader is reported to have attended a secret meeting at the home of Mr. Menahem Begin, Israeli Prime Minister, to discuss the growing crisis in Southern Lebanon. Page 2

Election pledge

Pakistan's military ruler, General Mohammed Zia-ul-Haq, has formed a civilian government and says that elections will be held by October of next year.

Briefly...

Li-Col. Dick Crawshaw, 81, Labour MP for Tosteth, Liverpool, today begins an attack on the world endurance walking record of 314 miles.

Paramount said their film "Grease" grossed \$101.15m (\$33.1m) in the first 66 days on release.

Lord Somerleyton, 49, has been appointed a Lord-in-waiting to the Queen.

Three Americans who became the first transatlantic balloonists received the Medaille de Vermeil in Paris.

Eight Thailand fishermen have been jailed for five years without trial for using dynamite to catch fish.

UN working group began studying child labour report prepared by the London-based Anti-Slavery Society.

BUSINESS

Dollar stronger; Gold falls \$6

DOLLAR rose sharply in a short-lived rally in response to the U.S. decision to double the amount of gold for auction. It touched DM 2.0250 before closing at DM 2.00875. After reaching SwFr 1.7050, it fell to SwFr 1.6630, slightly above the previous close.

STERLING lost 23 points to \$1.9270, after a day's low of \$1.9150. Trade-weighted index was unchanged at 62.2. Dollar's depreciation narrowed to 9 (9.1) per cent.

GOLD fell below \$200 for the first time in nearly a month, touching \$198.1. It rallied to close at \$200.1, a fall of \$1 on the day and of \$16 since its all-time high eight days ago. Comex August settlement price closed 2.30 down at 202.50. Back Page

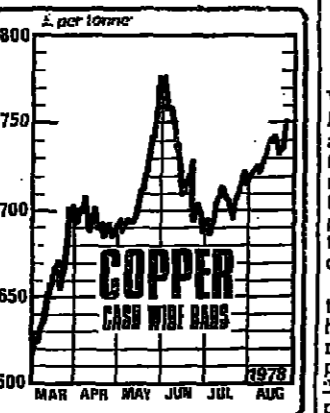
EQUITIES recent upsurge faltered on further profit-taking. FT 30-share index surrendered Tuesday's gain of 4 points to close at 519.2. Gold Mines index fell 7.2 to 175.2—a loss of 31.4 in the last seven trading sessions.

Commerzbank index rose 5.6 to a new eight-year high of \$27.6.

GILTS traded quietly. Government Securities Index eased 0.02 to 70.66.

WALL STREET closed up 4.59 at 997.00.

COPPER prices rose strongly on the London Metal Exchange. Cash wire bars gained £10.5 to £759.5 a tonne on the com-



tinuing strike by Peruvian miners and a tightening in available supplies. Page 23

SHARES in London-quoted stocks with interests in Kenya reacted nervously to uncertainty over the country's future, with prices dropping by up to 16p. Overseas News—Page 3

WEST GERMAN trade surplus for July fell to DM 2.3bn (\$1.14bn) against DM 4bn (\$1.98bn) in June and DM 1.7bn (\$848.2m) in July last year. Back Page

BANK OVERDRAFT costs could fall later this year, Mr. Robin Pemberton, National Westminster Bank chairman, said. Back Page

ICI has offered its manual workers substantial pay rises, only weeks after agreeing a Phase Three settlement, in a move to sort out staffing shortages among one group of highly-skilled employees. Page 6

TOOLROOM strikers at BL's SU Fuel Systems plant, Birmingham, seem set for an all-out fight with their own union. Page 6

MEXICAN Government is to try to consolidate short-term external borrowings of various public sector agencies by a loan raised by the United Mexican States, it was confirmed yesterday. Page 19

COMPANIES

ASSOCIATED DAIRIES pre-tax profits were £28.2m (£23.94m) on turnover of £536m (£529m) for the year to April 29. Page 16 and Lex

Toshiba and Rank in joint venture to make televisions

BY MAX WILKINSON

Toshiba, the Japanese electrical group, has signed a joint venture agreement with Rank Radio International for the production of television sets in Rank's West Country plant.

A new company called Rank Toshiba is to be set up, with Rank owning 70 per cent and Toshiba, 30 per cent.

Rank is contributing its two factories in Plymouth and one in Redruth, Cornwall, together valued at £7m and employing 2,800 people.

Last summer Hitachi failed in an attempt to establish a plant in County Durham, because of strong opposition from other manufacturers and trade unions.

The other two Japanese television companies, with factories in the UK, are Sony and Matsushita, both in Wales.

Toshiba is putting £3m cash into the new venture and will supply technical expertise.

The company is at first expected to continue to produce sets designed by Rank alongside Toshiba-designed monochrome sets and audio products.

By the early 1980s, the internal design of colour sets will be largely supplied by Toshiba. The plant will, however, continue to make sets to be marketed separately by Rank and Toshiba.

Rank has appointed Mr. Angus Crichton-Miller, as managing director of the plant. The non-executive chairman will be appointed by Toshiba, which will have control of the Board.

The British Government has welcomed the deal and is con-

UK COLOUR TV MARKET % SHARES

Thorn	26
Philips and Pye	22
Japan (inc. UK manufacture)	12
ITT	8
GEC	8
Rank	4
Rediffusion	4
Decca	4
Others (mainly imports)	6

Source: Industry estimate

Rank deal establishes Toshiba in Europe Page 5
Editorial Comment Page 14
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which can bring benefits to the UK industry and the economy.

Rank's radio and television manufacturing operation has been losing money for several years. For the last three, the loss is estimated at about £20m. Last year alone, £32m was lost on a turnover of £38.6m.

Rank and Toshiba expect to increase colour set production

Volkswagen first-half profits up by a third

BY GUY HAWTIN

FRANKFURT, August 23.

VOLKSWAGEN, West Germany's largest car manufacturer, today announced that its first-half profits were up by a third on the first half of 1977.

The news could not have come at a better time for the group: tomorrow sees publication of the prospectus for the company's DM 900m (£235m) capital raising.

Professor Friedrich Thome, the group's finance chief, said here that group net profits had risen by a third on the comparable figures for 1977 to DM 265m (£68.5m). It was impossible to predict with certainty whether or not the group would be able to maintain such a high level of improvement for the year as a whole. However, 1978 earnings would be substantially higher than last year's net.

Thome said the group's plans to make a major acquisition in the near future to provide the company with a second leg to offset the cyclical fluctuations in the car market. Since the plans were announced a couple of months ago, they have been a constant source of stock exchange rumour which have advanced such concerns as the engineering groups Gutehoffnungshutte and Deutsche Babcock as candidates for takeover.

Gutehoffnungshutte has denied that it has been in talks with Volkswagen and Professor Thome said the group was developing a new engine which would be extremely economical in its use of fuel and could give the company an important lead over competitors in Europe and the U.S. It is being developed with an unnamed partner. Industry sources claim that the new engine consumes only about half the fuel used by a conventional engine of a similar capacity and power rating.

Thome today contributed a denial from his side. Volkswagen was still in the study phase with its acquisition plans.

"It is much easier to tell you what we don't want to be—and that is a bank."

The liquidity of the parent group alone is such that it has DM 3.5bn in hand—an increase of DM 500m in the first half-year.

Prof. Thome said that the group was seeking an acquisition which would have an anti-cyclical stabilising effect. It would be unlikely to be involved in the consumer goods field, Volkswagen wanted something that it could understand and a concern operating in the plant construction and mechanical engineering fields probably would be ideal.

Today's profits news confirms the trend of the first quarter when earnings were up by 24 per cent. In the rights issue shareholders are being offered 6m of the group's DM 50 nominal shares at a ratio of one to three and at a price of DM 150 a share.

When the issue was announced in April Volkswagen shares were changing hands at about DM 200. Today they were trading at DM 260.

Prof. Thome said that group sales during the first six months rose by 9.5 per cent to DM 13.9bn. Domestic turnover was up by 11.9 per cent on that

Continued on Back Page

Fruit and vegetable prices fall

BY CHRISTOPHER PARKES

A SUMMER glut of UK-grown fruit and vegetables has joined rising imports in swamping the wholesale markets. Prices have fallen, as little as 1p a pound, and are on sale at 70p for a 14lb tray. Large cauliflower are 10p each compared with up to 20p in the shops.

The surplus seems likely to continue to depress the market, although if hot weather continues, increased demand for these seasonal goods might help to raise prices again.

Farmers have produced an estimated surplus of 500,000 tonnes of potatoes this year and are being paid the lowest prices for years; as little as 1p a pound. Retail prices are at their lowest since the Government has taken action to increase farmers' returns, but that is not thought likely to affect shop prices.

Although tomato prices have risen marginally in the shops this week, the Fresh Fruit and Vegetable Information Bureau says they will probably slip back again and remain fairly low for another month or so.

Orchard owners expect a good apple crop this year and plentiful supplies of Golden Delicious are likely from France. The bureau estimates that apple prices in shops should settle between 16p and 20p a pound. Last year, when apples cost 10p, cold weather wiped out more than a quarter of the national apple crop.

The bureau's list of best buys this week includes Bramley cooking apples, now 18p to 20p retail but expected to become cheaper; melons from Spain; and UK-grown stick beans, marrow and celery. Egg prices are at their lowest for two years although the industry had talks yesterday on handling the surplus, supplies should remain plentiful and prices modest for some weeks.

UK-produced lamb is some 5p a pound cheaper than at its June peak, although other meat prices are stable at quite high levels.

Potato prices fall Page 23

Move for earlier payment of tax

BY DAVID FREUD

MOST self-employed people will have to pay tax bills earlier if proposed changes to the way in which they are assessed are put into effect.

An Inland Revenue study, near completion, is understood to recommend that the self-employed be assessed on a current-year basis rather than a previous-year basis.

That would effectively remove the inflation and interest advantages enjoyed by many Schedule D taxpayers. It might also lead to a once-and-for-all increase in tax demanded in the year of the changeover.

The change would require legislation. The Revenue's study will be considered by Ministers in the next couple of months, and implementation would probably take some years.

About a quarter of all income tax is paid under Schedule D. Most of that comes from traders and people in the professions, who will be affected by any change in the basis of assessment.

Sir William Fife, chairman of the Board of Inland Revenue, told the Commons Committee of Public Accounts in March that the most likely way of calculating the current-year assessment would be through a "deeming" method.

That would take the profits of the most recent accounting period and assume them to be the profits for the year of assessment, subject to later revision.

Many self-employed individuals pay tax up to 18 months in arrears. Recently rapid inflation has eroded the real tax payable.

The apparent disparity with Schedule E taxpayers, who are taxed immediately, has caused concern. The British way of taxing the self-employed has changed little in the past 50 years and contrasts with practice in countries where the self-employed pay tax on a similar basis to employees.

Difficulties will arise in moving over to current year assessment. Unless one year's tax is never paid, two years of assessment would have to be compressed into a single year. Moreover, some traders are likely to find themselves with cash flow problems in the year their tax has widened, because of the loss of the inflation benefit.

Now, it has brought that letter forward. It forms the bulk of the advertisements which appear in today's newspapers.

The remainder of the text concentrates on persuading the pension funds to rethink their positions.

Allied says that it has consulted counsel on whether the bid can go ahead without shareholders' prior approval, and has been advised that such a move would not be contrary to the undertaking it gave last year.

The pension funds had earlier obtained an opposite view from the House of Commons Select Committee. The letter also underlines the fact that the pension funds committee has been shown this contrary legal opinion—a point not mentioned in the committee's circular to members.

Yesterday, Allied's advisers, Samuel Montagu, said that the legal issue, therefore, was only likely to lead to an unfortunate stalemate.

Mr. K. S. Showaring, Allied's chairman, says in the advertisement, the resolution recommended by the funds for the emergency meeting is unworkable.

Firstly, it only "requests" the board of Allied to consider seeking shareholders' approval before proceeding with the bid. This could mean that the directors could consider the request and then decide not to act on it.

More importantly, Allied Continued on Back Page

Announcement Page 18

UK seat on French board sought

Unions step up demands on Peugeot

BY NICK GARNETT, LABOUR STAFF

NATIONAL union officials will press the Government to take an equity stake in the controlling French company which is to be formed out of the proposed Peugeot-Citroen takeover of Chrysler's European operations.

The first joint union meeting of national officials and shop stewards since the takeover's announcement also decided in London yesterday that the Government should have a representative on the new company's main policymaking board rather than on any subsidiary specifically formed to run Chrysler's UK operations.

This represents a hardening of the position taken by the executive of the Amalgamated Union of Engineering Workers and is likely to be adopted by the TUC Congress early next month.

The unions are hoping to have talks with Peugeot management shortly after the Congress. The Government might make its formal position on the takeover clear before the talks, which the unions are trying to organise through the Department of Industry.

Unions officials are trying to keep shop stewards as fully briefed as possible. Mr. Gavin Laird, the engineers' executive member, said yesterday that one of the unions' national officers at all of the major talks, including the meeting with Peugeot management.

Shop stewards expressed deep concern that Chrysler's actions had rendered its planning agreement with the Government virtually worthless. Mr. Eric Bone, the Transport and General Workers Union national automotive officer, said the Government would be urged to secure much tougher planning agreements with Peugeot than those negotiated with Chrysler.

Unions officials emphasised again that they were determined to protect all jobs at Chrysler and would resist any closure.

They are due to meet representatives of the Motor Agents Association tomorrow to discuss the position. The association has already come out in support of the takeover.

Toolroom strikers face expulsion; Page 5
Citroen Spanish stake Page 19

Allied advertisement defends Lyons bid

BY CHRISTINE MOIR

ALLIED BREWERIES has placed advertisements in several national and provincial newspapers today, defending its planned takeover of J. Lyons.

It made this move as the pension funds special committee approached the 10 per cent of the votes needed to call an emergency meeting of Allied's shareholders, to consider aspects of the bid.

In only one respect has Allied softened its initial insistence that the bid did not need shareholders' approval.

The company had intended to send a letter to shareholders explaining the industrial logic of the proposed merger, at the end of the month, when Lyons' shareholders are to receive the offer document.

Now, it has brought that letter forward. It forms the bulk of the advertisements which appear in today's newspapers.

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More importantly, Allied Continued on Back Page

Announcement Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		FALLS	
Brown and Jackson...	108 + 6	AGB Research...	136 - 11
Coalite and Chemical...	70 + 4	Assed Dairies...	254 - 10
Johnson Cp. Cleaners...	112 + 6	Brooke Bond...	481 - 3
London Pavilion...	49 + 11	Brown (J.)...	472 - 6
McKay Securities...	265 + 20	Finlay (J.)...	111 - 6
Newmark (L.)...	223 + 13	House of Fraser...	188 - 6
Ocean Wilsons...	91 + 8	Lloyds Bank...	270 - 8
Perry (H.)...	123 + 5	Lyons (J.)...	129 - 4
Phillips' Lamps...	680 + 20	Marshall's Universal...	162 - 16
Rank Organisation...	280 + 8	Ricardo...	220 - 10
Restmor...	187 + 12	Sedgwick Forbes...	488 - 7
Roverette Mackintosh...	435 + 11	Anglo American Cp....	388 - 20
Siebe Gorman...	208 + 10	Bufile...	671 - 20
Standard Chartered...	452 + 10	Dr. Goerss Ltd...	428 - 25
Travis and Arnold...	137 + 6	Doornfontein...	333 - 26
United Scientific...	382 + 18	Randfontein...	1361 - 21
Victor Products...	223 + 23	Stillfontein...	231 - 16
Vosper...	101 + 10	UC Investments...	230 - 14
BP...	916 + 8	West Drie...	1232 - 1

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For latest Share Index 'phone 01-246 8028

WHO MAKE IT IN LIVINGSTON

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LIVINGSTON, SCOTLAND

Contact Jim Pollock
Industrial Development Manager, Livingston Development Corporation,
West Lothian. Telephone Livingston (0589) 31177. Telex 727178.
The Scottish New Towns Office,
19 Cockspur Street, London SW1Y 5BL (Tel. 01-930 2631).

EUROPEAN NEWS

Left-wing rift grows in Italy

By Paul Betts

ROME, August 23. A DIVISION is developing inside Italy's main left-wing forces which could have serious repercussions on the country's fragile political situation.

In a magazine interview today, Sic. Bettino Craxi, the Socialist Party secretary-general who is consolidating his position at the top of his party, critically questioned the political ideology of the Italian Communist Party.

Referring to recent statements by Sic. Enrico Berlinguer, the Communist leader, defending the doctrine of Lenin, Sic. Craxi claimed that Leninism and Socialism were incompatible. There was, he said, a distinct contradiction between pluralism and Leninism, the two concepts upheld by Italian Communists.

While the controversy between Socialists and Communists has so far been conducted mainly on ideological grounds, the Socialist Party, which is Italy's third largest political force, is clearly seeking to take advantage of its renewed popularity reflected in the party's surprising recovery in recent local elections. At the same time, the Socialists are attempting to express their autonomy and independence from the Communists.

For their part, the Communists are increasingly concerned about the split with the Socialists, which they claim risks weakening the Left-wing parties as a whole. Already in a number of local administrations, the Socialists have openly split with the Communists.

The disaffection of the Socialists from the Communists has obvious political implications in that it could rekindle the possibility of an alliance between Socialists and Christian Democrats.

At this stage, however, all the main political parties, including the ruling Christian Democrats, the Communists and the Socialists, do not seem to want to rock the boat. They have openly stated, in fact, that there is no viable alternative to the present governing coalition.

France has trade surplus in July

BY DAVID CURRY

THE STEADY improvement in time last year. In crude figures the French trade position continues to be the most solid achievement in the economic recovery programme—now nearly two years old—of Prime Minister Raymond Barre. Together with the stability of the currency, which it is linked, it has permitted the Government to bring down rates on the money market to a two-year low of 7 per cent.

The commercial surplus in July means that France has been in the black on her trade for the past six months. The seasonally corrected July surplus of FF950m was double June's margin, while exports, at FF930.75bn, were almost 18 per cent up over the position for July, 1977.

The overall surplus this year so far is FF1.51bn, against a FF1.037bn deficit at the same time last year. In fact, the market is held on a fairly tight rein as the Government is imposing strict guidelines for bank credit.

The Government's main problem at the moment is doing the arithmetic for the 1979 Budget. Following President Giscard d'Estaing's promise in Bonn to enlarge the deficit, the shortfall is likely to be more than FF20bn.

Mr. Barre promised during the election campaign that there would be no increase in direct taxes but he may try possibly to boost income to some extent by adjusting tax brackets. Further money-raising on the market is also thought likely.

The generally improved economic conditions (unemployment apart), together with the conservative general election victory have also been good for the stock market. With share values some 40 per cent up since the beginning of the year, a number of companies are examining the prospects for raising new capital.

The Compagnie Generale d'Electricite took the plunge before the holidays and the Compagnie Francaise des Petroles has announced that it is following suit with a FF537m (£70m) rights issue.

The restoration to the bourse of its role as a supplier of capital is one of the Government's preoccupations and has given rise to a series of measures to encourage the flow of savings into equities. If more companies join the queue for new capital, Mr. Barre will no doubt claim that the improved general economic climate and the return to industry of freedom to fix its own prices have much to do with the new confidence.

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Opposition to Marxist in Iceland

REYKJAVIK, August 23.

ICELAND'S Social Democrats today came out against the appointment of Marxist party leader Ludvig Josefsson as Prime Minister.

Mr. Josefsson (64) has been seen as the favourite to head a coalition and end an eight-week government crisis. He would be Iceland's first Communist Prime Minister.

But Mr. Benedikt Grondal, leader of the Social Democratic Party which favours strong ties with the North Atlantic Treaty Organisation, said the party opposed the idea of Mr. Josefsson taking over since he could influence foreign policy.

Earlier, in talks to form a coalition with Mr. Josefsson's People's Alliance and the Centre Progressive Party, the Social Democrats insisted that Mr. Grondal be Foreign Minister to safeguard Iceland's NATO links.

Jon Magnusson adds: Attempts by Mr. Josefsson to form a three-party Left-wing government in Iceland are at a crucial stage. Mr. Josefsson is very much against Iceland's membership of NATO and he has demanded for years that the U.S. defence force at the important NATO base at Keflavik leaves the country.

and his Communist-dominated People's Alliance have stated that they are willing to support the NATO issue for the time being, if that would make it easier to form a Left-wing coalition government.

Turkish lira to drop link with dollar

ANKARA, August 23.

MR. BULENT ECEVIT, the Turkish Prime Minister, said today his Government was preparing to abandon the Turkish Lira's 24-year-old link with the U.S. dollar.

He told reporters after a Cabinet meeting that preparations were being made to link the lira to "another monetary unit."

Although he did not elaborate, Mr. Ecevit said the Finance Minister, said on Monday that Turkey should switch from the dollar to the International Monetary Fund's special drawing rights (SDRs) to fix exchange rates for the lira.

Mr. Muzeyirlioglu said the attachment to the dollar "has brought about certain drawbacks, especially with the dollar's loss of value in the past few weeks."

"Considering Turkey's relations in the economic field, it would be correct to switch to SDRs," he said.

Reuter

Inflation target a problem for Portugal

By Jimmy Burns

LISBON, August 23. THE PORTUGUESE consumer price index rose by 1.6 per cent in July, according to figures just released by the National Institute of Statistics.

The figure represents the third significant monthly increase since the beginning of this year, and indicates that Portugal's future Government may find it difficult to hold inflation down to 20 per cent by the end of the year. This was the target set by the Socialist-conservative alliance in its economic programme presented earlier this year.

In the first six months of this year, consumer prices fluctuated considerably; inflation during the half-year ran at an annual rate of 2.4 per cent.

Nevertheless, price trends this year show a marked improvement on last year when the inflation rate was 37 per cent on an annual basis. Further optimism has been generated by the fact that the price of most key items, such as gas, electricity and public transport have already been significantly increased this year, and are expected to remain fixed until the end of the year.

Most observers agree that unless inflation is kept down during the second half of this year, Portugal's future government will find it extremely hard to pacify the Communist-dominated trade unions without revising the 20 per cent wage ceiling agreed on last April.

Reuter adds: President Antonio Ramalho Eanes has called a news conference for tomorrow amid speculation that he might formally confirm independent Sr. Alfredo Nobre de Costa as the new Prime Minister.

Red spy in flight, no one's delight

BY PAUL LENDVAI IN BELGRADE

MR. MIHAIL ION PACEPA is not exactly a household name even in his native Romania, let alone in the West. Yet his whereabouts, his past and his mysterious activities have been the subject of as many, if not more, confidential diplomatic dispatches from Bucharest than the much-publicised visit of Chairman Hua Kuo-feng.

Mr. Pacepa is probably the highest-ranking secret police officer of a Soviet bloc country ever to have defected to the West. Since he disappeared to a "safe house"—owned by the U.S. Central Intelligence Agency (CIA) in Cologne in West Germany a few weeks ago, the "Pacepa Affair" has become the hottest story on the cocktail circuit and the talk of diplomats and Romanian officials in Bucharest.

On the official list of officeholders in the Romanian Ministry of the Interior, Mr. Pacepa appeared only in 1974, in place of one of the under-secretaries. But Lieutenant-General Pacepa was more than that. According to some accounts he was running Romanian intelligence operations abroad and ranked as one of the most trusted advisers to President Nicolae Ceausescu.

He disappeared in Cologne to the great embarrassment of the West German authorities who had to face a spate of queries from the alarmed Romanian leadership. However, the General was almost immediately flown in a military aircraft to the U.S. Ever since, the U.S. embassy in Bucharest has imposed a news blackout on the subject.

The General's defection is a major embarrassment for President Ceausescu's independent-minded regime. On the one hand, he is in a position to reveal Romania's most closely-guarded secrets. On the other, he is said to have worked for the CIA at least since 1970.

In any event, General Pacepa's defection has no parallel. He has been called the "Romanian Khrushchev" by the Soviet super-spy working for the Americans in the late 1960s and early 1960s as deputy chairman of the powerful Committee for Scientific and Technological Cooperation. But Pacepa took high treason while Pacepa took it in time to spend the rest of his life with a new identity in the U.S.

The Americans are visibly embarrassed. After all, Romania is the only Warsaw Pact country which time and again defies the Soviet Union and relies on American and Chinese support in its resistance to Soviet pressures.

Thus, anything that causes disarray in Romania must be welcome news in Moscow. There is another general who is in trouble in Romania, albeit for completely different reasons. He is Mr. Ion Dinea who was in the news last week when his wife, Mrs. Dinea, was selling flowers without permission in a market in Bucharest, facing a large new store and not far from the city centre. Though she was pregnant, a Romanian militia man treated her roughly. A student nearby watching the scene interfered and wanted to protect the woman. The militia man became even angrier and asked for the student's identification card. When the student refused, the policeman began to hit him with his baton.

A large crowd gathered. The policeman ran to a nearby shop selling flowers. Faced with the angry crowd, he panicked and began to shoot, seriously wounding at least three spectators. The crowd stormed the glass pavilion, dragged out the young militia man by his hair and beat him up. Accounts vary as to whether he died or survived his serious injuries.

The militia man did manage to alert other policemen via his radio. By that time the crowd had swollen to an estimated 4,500 people. Police appeared in strength cordoning off and surrounding the square. Bucharest was on the verge of an unprecedented riot.

At that moment, Mr. Dinea appeared on the scene. Through loudspeakers he pleaded with the crowd which finally dispersed. It is not known how many people were injured or died, but the worst was averted.

When President Ceausescu was informed of the events, he is said to have been enraged and said: "Such a thing happened in Romania? Who is responsible?" This in turn raised speculation about the political future of the General, the third party chief in the capital within a few years.

THE MIDDLE EAST

Saudis 'reject' oil price rise this year

BAHRAIN, August 23.

SAUDI ARABIA has rejected all efforts to increase oil prices this year or to replace the dollar as the oil pricing unit, but might accept a small price increase for 1979 when OPEC oil Ministers meet next in Abu Dhabi in December, authoritative Arab oil sources said.

The sources, from Arab countries outside Saudi Arabia, were speaking at a Kuwait newspaper published an interview with Saudi Arabia's Crown Prince Fahd in which he rejected a possible switch away from the dollar and said that an oil price rise now was not justified.

Kuwait Oil Minister Ali Khalifa al-Sabah, the current OPEC President, is believed to have failed to convince the Saudi leaders of the need to hold an extraordinary OPEC conference next month to discuss the effect on oil revenue of the sharp rise in the value of the U.S. dollar.

All met Prince Fahd and Saudi Oil Minister Ahmed Zak Yamani in Taif last week to press the Saudi leaders to accept the finding of a committee of OPEC-appointed experts which met in London last month and suggested that oil prices should be adjusted in the fourth quarter of this year to compensate for part of the dollar decline.

Saudi leaders are believed to have told Ali that the committee's findings in the world oil market which cost Saudi Arabia a further 3 per cent loss in oil exports last month, made an attempt at a price increase irrelevant.

Ali was hoping to call an extraordinary OPEC Ministers conference next month to discuss the experts' recommendations in the hope that a formula would be approved which would enable OPEC states to raise the dollar price from October 1.

Reuter

Israeli party splits over Begin policies

BY OUR OWN CORRESPONDENT JERUSALEM, August 23.

ISRAEL'S Democratic Movement for Change, second largest party in the ruling coalition, split into three factions tonight but left Mr. Menachem Begin, the Prime Minister, still comfortably in power.

Five of the DMC's 15 members in the Knesset (Parliament) walked out of the coalition in protest at what they regarded as the hawkish policies of the Begin Government.

This faction, led by Professor Amnon Rubinstein, objected to Mr. Begin's refusal to consider withdrawal from Arab land on the Jordan West Bank and the lack of satisfaction according to the social policies which the DMC championed.

The party leader, Deputy Premier Yizhak Rabin, remained in the coalition at the head of six DMC members still loyal to him. The three other DMC members still loyal to him. The three other DMC members still loyal to him.

The DMC was born on the eve of last year's general elections as the bright hope of the liberal middle classes seeking internal reform. But the assortment of politicians, more drawn together by what they opposed than by any coherent political platform, were first stunned by their role in ousting the Labour Party and then outmanoeuvred by the politically wily Mr. Begin.

Disturbed by the Government's settlement policy and then disappointed by its response to President Sadat's peace initiative last November, the party has been suffering increasing internal strain.

Professor Yadin has argued that the DMC is a restraining force within the primarily Right-wing coalition. But a sizeable minority complains that the party has no influence on crucial decisions, and only gives veneer of moderation to a basically hard-line Government.

Internal party elections were held in June, and after recounts of rigged ballots, the opponents of Professor Yadin emerged slightly stronger. But they had advocated waiting until after the Middle East summit at Beirut.

When the meeting ended just after midnight, Mr. Moshe Dayan, the Foreign Minister, and Mr. Ezer Weizman, the Defence Minister, emerged in full view of bystanders. So did the Chief-of-Staff, Major-General Rafael Eitan.

But the figure nobody saw was the one in a car which drove off at high speed from a side street with curtains tightly drawn across its rear windows. One press report identified the figure as a high-ranking Lebanese Muslim leader. This was derided by a Government spokesman who insisted the meeting was much less dramatic.

Nevertheless, informed sources said some Arab figures seemed to be involved. One report even mentioned former Lebanese President Camille Chamoun.

Some sort of Lebanese-Israeli contacts had been expected following the visit to the Middle East this week by UN Under-Secretary-General Brian Urquhart.

Mr. Urquhart has been trying to smooth the way for Lebanese regular forces to take up positions in south Lebanon. For three weeks these Lebanese troops have been blocked by Christian militiamen and last night Mr. Urquhart said the possibility of flying them to their objective might be considered. He said there had been agreement in principle for discussions on the subject.

Isaac Hijiari, adds from Beirut: Sources in east Beirut said both Bashir Gemayel and Camille Chamoun were at their residences here last night. These sources believe if such a meeting has taken place, the Lebanese side may have been represented by militia commanders in southern Lebanon. The sources believe the story may have been started after a statement yesterday by Mr. Chamoun in which he spoke about alleged Syrian military preparations in east Beirut.



Professor Yadin

Camp David before staging a showdown within the party's ruling coalition.

Stung by internal criticisms, especially over his role in the recent controversy about five new settlements planned for the West Bank, Professor Yadin has insisted that the air be cleared. The break-up of the DMC may damage Mr. Begin's image as the voice of all Israel, but at the same time would reduce opposition within the cabinet to his policies.

Daniel adds from Tel Aviv: The establishment of a joint council to govern the West Bank, composed of representatives of Israel, Jordan and the residents of the area, has been urged by Mr. Shimon Peres, leader of the opposition Labour Party.

Only external security would remain in the hands of the Israeli force stationed mainly along the Jordan river.

Labour's proposal for West Bank autonomy differs from the Government's on two important points: participation by Jordan in the day-to-day administration, which in Mr. Peres's view would pave the way for negotiations with Jordan and the local citizens on territorial compromise in the west bank, and secondly the transfer of responsibility for public order and the prevention of terrorism to a joint police force.

Commenting on Sinai, Mr. Peres stressed the importance of Israel's security of settlements in Northern Sinai, but suggested that various forms of compromise were possible, including an exchange of territory.

'Lebanese leader' in secret Tel Aviv talks

BY OUR OWN CORRESPONDENT TEL AVIV, August 23.

A SECRET late night meeting at the residence of Mr. Menachem Begin, the Prime Minister, set Israel abuzz today with rumours that an Arab leader might have come to talk about the problems of southern Lebanon.

When the meeting ended just after midnight, Mr. Moshe Dayan, the Foreign Minister, and Mr. Ezer Weizman, the Defence Minister, emerged in full view of bystanders. So did the Chief-of-Staff, Major-General Rafael Eitan.

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June 1978

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OVERSEAS NEWS

Mourners weep as body of Kenyatta lies in state

BY JOHN WORRALL

NAIROBI, August 23.

THE BODY of the late President Kenyatta, Jomo Kenyatta, lay today in state in a hall spread over a dining table in the banquet hall of State House, Nairobi.

He wore a dark pin-striped double-breasted lounge suit, Kenya's national tie and a large ceremonial ring on the third finger of his right hand. By his side was his familiar fly-whisk and his carved walking stick.

A pink rose from his garden — he was seldom seen without one in his buttonhole — was resting in a vase of water just above his head.

Ministers, MPs, top civil servants and diplomats today paid their last respects to President Kenyatta as he lay in state in the house where he never slept.

Tomorrow, for about a week, the public will be allowed in to see the body of their old leader lying in state.

Lined along the wall of the banquet hall today watching the body were the Kenyatta family, among them his widow, Mama Ngina Kenyatta, her three children and his daughter Miss Margaret Kenyatta, once Mayor of Nairobi. Some were weeping openly.

The funeral is expected to be held next Thursday, the service to be held in the State House, Nairobi and Kenyatta will probably be buried at his own home yottu and Mr. Geoffrey Karitahi, at Gatundu, the house where he head of the civil service.



Jomo Kenyatta: His nation in mourning

was arrested by the British in 1952.

Today, Kenyatta's successor for 90 days, Mr. Daniel Arap Moi, who is, I understand, to be described as the President, not the children and his daughter Miss Margaret Kenyatta, once Mayor of Nairobi. Some were weeping openly.

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Zambians accused of role in attack on Namibia town

WINDHOEK, August 23.

ZAMBIAN TROOPS and Swapo nationalist guerrillas early today launched a heavy artillery attack on the South African ruled town of Katimo Mobilo, a military spokesman said.

Major General Jan Geldenhuys, officer commanding South African troops in South West Africa (Namibia), said the attack lasted for about two hours. He did not say whether there were any casualties.

General Geldenhuys said the attack was launched from known bases of the South West Africa Peoples Organisation (Swapo) in Zambia.

"The Zambian defence force later began to take part in the bombardment," he added.

Gen. Geldenhuys said South African troops had anticipated the attack and made necessary preparations. Heavy artillery fire was returned by the South African security forces.

Gen. Hannes Philipp, military adviser to Mr. Mariti Ahtisaari, the United Nations special repre-

sentative for Namibia, was kept informed of Swapo's plans for attack until he left the territory for New York last night, Gen. Geldenhuys said.

Mr. Ahtisaari flew to the territory on August 6 with a 47-man UN team to draw up a survey on the implementation of UN proposals for Namibia's independence from South Africa.

Defence Minister Mr. Pieter Botha said South Africa viewed the attack as a serious act of aggression and an extreme provocation.

Mr. Botha said in Pretoria that South Africa had repeatedly warned President Kenneth Kaunda of Zambia against providing facilities for guerrillas.

President Kaunda could hardly claim he was not aware of the actions of the guerrillas in view of the extent of the attack, Mr. Botha said.

He said this kind of action called for a suitable reaction from any self-respecting state, but he did not elaborate.

Japan defence force 'ambiguity' criticised

BY ROBERT WOOD

TOKYO, August 23.

GEN. HROOKI KURISU, who recently resigned as commanding officer of Japan's "Self-Defence Forces," said today that under current law the forces are "a castle built on sand, or as in the Oriental proverb, a sculpture of Buddha lacking in spirit, because the creator has forgotten to put it in."

Gen. Kurisu resigned as chairman of the Self-Defence Forces joint staff council three weeks ago, following heavy criticism of a statement he made in a magazine interview that the forces might have to take "supra-legal action" in the event of attack.

In a speech to a luncheon at the foreign correspondents' club of Japan, he said today that current law may prohibit the Defence Forces from fighting back without authorisation from the Prime Minister if attacked by an enemy.

Although some "irresponsible critics who live in the safety of Tokyo" have argued that the universally recognised right to self-defence is sufficient warrant for the forces to act should there be a surprise attack, Gen. Kurisu said that local units might fear that any action might later subject them to criminal prosecution. The ambiguity of the forces status hurt morale, he said.

Japan's post-war Constitution renounces the use of force to settle international disputes and the maintenance of "land, sea, and air forces."

The predecessors of the present Self-Defence Forces came into being while the Americans still take during peacetime, or to occupied Japan, however, and military forces called by other names have been the subject of the military right to maintain internal order in accord with national law and practice.

Gen. Kurisu declined to advocate any specific political decisions to end the ambiguity of the Self-Defence forces' role. However, he said that two possibilities were either to specifically declare the kind of reaction to attack Japanese forces might take during peacetime, or to adopt a law similar to one military forces called by other names have been the subject of the military right to maintain internal order in accord with national law and practice.

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THE DUSTY streets of Kabul seem peaceful now, compared with how they were during the bloody military coup which overthrew President Mohammed Daoud at the end of April. The tanks are gone and much of the damaged caused by machine gun and shell fire has been repaired.

However, rumours—always difficult to verify—suggest the calm is misleading. As far as can be established, a powerful political drama is being acted out both in the President's palace, now occupied by the Prime Minister and President of the Revolutionary Council, Nur Mohammed Tarraki, and in the army camps dotted around the city, which lies in a plain surrounded by hills.

Last week the Minister of Defence, Major General Abdul Kadir, the Chief of Staff, Lieutenant General Shahpoor, and the head of the local hospital, Dr. Mir Ali Akbar, were denounced as traitors. Two months ago Mr. Tarraki, who leads the Chahq (meaning party in Arabic) successfully sent abroad as ambassadors three members of his Cabinet belonging to the rival Communist faction, Parcham (meaning banner). There are now reports that two other members of the Cabinet, the Minister of the Interior, Aslam Wabjanis, and the Minister for Public Works, Mohammed Rafi, have been arrested.

Observers expect the party infighting, transfers, arrests and perhaps killings to go on, in the words of one diplomat, "the revolution is eating its children."

Somewhere in the background of all this lies the role of the Soviet Union, which has been influential in Afghanistan for over 50 years. Since the coup, which many saw as inspired by Soviet influence, the number of Soviet military advisers in the country planned another coup. After

AFGHANISTAN AFTER THE COUP

Soviet influence grows as the revolution devours its children

BY SIMON HENDERSON, RECENTLY IN KABUL

has more than doubled, to it is all, he had been important in believed, 3-4000. Besides training Mohammed Daoud's overthrow the armed forces, these are of King Zahir Shah in 1973.

In Mr. Tarraki's arguments with the Parcham Party, the most trusted aides were nearly killed in a grenade attack in Kabul on July 29. The man, Zayid Gulabzoy, Communications Minister in the first Government, had been appointed Mr. Tarraki's aide de camp immediately after the coup and achieved notoriety by standing behind him at the Prime Minister's first Press conference, holding a sub-machine gun.

Beyond the capital too Mr. Tarraki faces opposition. Orthodox Muslim tribesmen in the eastern provinces bordering Pakistan, are resisting the new regime which they look upon as atheist and godless. The extent of their resistance is hard to estimate but observers in Kabul say at best it is being contained rather than crushed, and that air strikes, heavy artillery and Soviet advisers have had to be used in the brutal fighting.

Trouble is also reported in the Nagahar province and Wardak. But on the road from the Khyber Pass border with Pakistan, the only indication is an occasional item of heavy weaponry: a tank, an armoured troop carrier, or an anti-aircraft gun guarding power stations or important bridges.

The problem of Afghanistan is how to control a country nearly three times the size of Britain but containing only about 18m people. These divide into tribal and racial groups of long-standing independence and competitiveness. 60 per cent of the population being Pathan 30 per cent Tajiks and 5 per cent Uzbeks. The overwhelming preponderance of the people live in the countryside and almost all are illiterate, but in Kabul handsome women wearing the latest chic French styles outnumber those still wearing the veil.

Afghanistan is authoritarian and the new regime is conscious of its lack of legitimacy in historical terms. It refers to the events of April 27 as a revolution, though in fact they constituted no more than a military coup.

Mr. Tarraki, referred to in the Press as "our heroic and revolutionary leader," is trying to achieve national control by a public relations campaign which represents his Chahq party as being the party of "workers, peasants, toilers and intellectuals."



The Soviet Union has long been influential in Afghanistan. But since the coup, the number of Soviet military advisers there has more than doubled.



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AMERICAN NEWS

Setback from postal union to Carter inflation hopes

BY JOHN WYLES

NEW YORK, August 23.

THE CARTER Administration's anti-inflation policy looked set for a serious setback and its relations with organised labour for a further deterioration today following strong indications that a major postal workers union has voted to reject a new three-year pay settlement.

An unofficial but authoritative tally of the vote by members of the National Association of Letter Carriers points to a rejection of a 19.5 per cent pay settlement which had been hailed as a victory of the Administration's aim of slowing down the increase in wages.

But as the 200,000 members of the Letter Carriers and two other postal service unions were voting, Mr. George Meany, president of the American Federation of Labour-Congress of Industrial Organisations, broke with precedent by publicly commenting on August 8 that the postal pay rises were inadequate, and predicting that the settlement would be rejected.

Mr. Meany's remarks may have influenced the Letter Carriers

ballot decision. Observers predict the 360,000 members of the American Postal Workers Union, whose ballot result should be released late on Friday, will also reject the pay deal.

The White House was reported deeply upset by Mr. Meany's comment on a specific settlement and in an interview published in the latest edition of Newsweek President Carter accused the 84-year-old AFL-CIO leader of "a very serious breach of propriety" which was counter to the efforts being made "ostensibly with the aid of president George Meany" to control inflation.

The war of words between the Administration and labour continued this morning in the wake of a speech given yesterday by Mr. Barry Bosworth, director of the Council of Wage and Price Stability.

Mr. Bosworth is extremely unpopular with the AFL-CIO because of his outspoken campaign to talk down the level of wage settlements, and the Administration responded earlier this month

by setting up a committee to coordinate Government statements on the issue which labour interpreted as intended to curb Mr. Bosworth's tongue.

However, Mr. Bosworth yesterday told trucking industry officials that the Administration was very concerned about the outcome of next year's pay negotiation in the industry and warned that the Government could not stand aside from negotiations "fundamental to the health of the economy."

Mr. Al Zuck, the AFL-CIO's principal spokesman, said today that Mr. Bosworth's implied threat of intervention in collective bargaining was "outrageous." He added: "At no time did he discuss trucking rates and at no time did he discuss profits."

In the short term such tensions between the White House and labour may be of some political benefit to Mr. Carter since organised labour's popularity in the country is low. However, if the President is to produce a more credible attack on inflation, the co-operation of labour is essential.

Air traffic between U.S., UK up sharply

By David Buchan

WASHINGTON, August 23. AIR TRAFFIC between the U.S. and the UK has increased dramatically since the two countries signed the Bermuda II air services agreement last year, Mr. Alfred Kahn, chairman of the Civil Aeronautics Board, told a Senate committee hearing on airline competition today.

Mr. Kahn said scheduled traffic between New York and London increased by 39 per cent between last October and this March.

This growth has been precipitated by the inauguration of the Laker Skytrain service last September. Predictions that Sir Freddie Laker would be virtually bankrupt by his new cut price transatlantic service had been proven "totally wrong," the CAB chairman said.

Earnings for scheduled air carriers were also up much better and the financial outlook for the rest of 1978 was very encouraging, Mr. Kahn said.

Meanwhile, in the most dramatic move so far by the Carter administration to liberalise international air services, officials yesterday told the Senate Committee that the U.S. would propose to West Germany next month that airlines in either country be allowed to fly to any destination in the other.

This so-called "open skies" proposal, made in the context of negotiations for a new bilateral air services agreement, would offer major benefits to Lufthansa, which at present can only fly to five U.S. cities.

This compares with the 14 destinations permitted to British airlines under the Bermuda II agreement.

In return, the U.S. will ask for more liberal charter rules between the two countries, and greater flexibility on fares. The U.S. is proposing that any fare proposals by U.S., German or third country airlines on flights between the U.S. and Germany would automatically go into effect, unless both governments disagreed.

The new ICBM is needed to counter Soviet missiles which are expected to become much more accurate in the early 1980s.

Mr. Brown said the method of moving the missiles about had not yet been selected, and no decision had been made on whether to build and deploy the new ICBM.

But, he said: "We are moving toward development of a new and more sophisticated ICBM."

Mr. Brown said that 200 to 300 of the new missiles would be moved about among 5,000 to 10,000 silos, hopefully confusing the enemy and making the missiles less vulnerable.

Reuter

Move to grant DC full voting rights passed

By Jurek Martin, U.S. Editor

WASHINGTON, August 24. AFTER NEARLY 180 years of efforts, the residents of the nation's capital, the District of Columbia, secured a big step towards the full enfranchisement in the Senate last night.

The chamber approved, by a bare two-thirds majority of 67 votes for and 32 against, the submission to the 96 state legislatures of a constitutional amendment that would allow the District to send both Congressmen and two senators to Capitol Hill.

Three quarters—88—of the legislatures must now ratify the amendment in the course of the next seven years, or it will not take effect. Advocates of full representation for the District acknowledge that it will be no easy task to bring this about.

The nation's capital has in effect been a fiefdom of the Congress since its establishment as the seat of the federal government in 1800. Over the last generation some strides toward enfranchisement have been made.

But the Congress has looked askance at full voting rights for a variety of reasons. Southern congressmen traditionally opposed it largely because of the large black population of the district, while Republicans saw little point in providing the Democratic Party with a safe seat.

But political realities have changed and the need for both southern and Republicans to court the black vote is now self-evident. In last night's Senate vote, such former die-hard wool-separatists as Sen. Strom Thurmond, the Republican from South Carolina, and politically ambitious Democrats like Sen. Howard Baker and Sen. Robert Dole, from Tennessee and Kansas respectively, backed the constitutional amendment.

If the amendment is passed by the state legislatures, the Senate will rise in size to 102 by the addition of two senators, while the House will gain an additional one or two congressmen, depending on the results of the 1980 census.

Spy satellite information 'passed to Soviet Union'

BY OUR OWN CORRESPONDENT WASHINGTON, August 23.

A FORMER employee of the Central Intelligence Agency (CIA), who was arrested last week for selling secrets to the Russians, is reported to have passed on them a detailed technical manual on the U.S. "Big Bird" spy satellites used to track Soviet nuclear and conventional forces.

The CIA would not comment today on the allegation, except to confirm that the man, Mr. William Kampiles, had worked for the agency in a relatively low capacity before leaving in 1977.

Press reports today quoted intelligence sources to the effect that, while the manual would not enable the Russians to build an identical satellite of their own, or to stop the orbiting 12-satellite programme, it could lead to the manual and take it home.

to take their high resolution photographs, it might help them identify weaknesses in the satellites and to protect their installations better.

The ability of both the U.S. and the Soviet Union to monitor by satellite nuclear weapons development and deployment in other's territory is a vital element in previous strategic arms limitation (SALT) agreements and the proposed new SALT II treaty.

Meanwhile, members of the Senate Intelligence Committee, sometimes criticised for their sloppy handling of classified material, have complained about the CIA's own procedures which allegedly allowed Mr. Kampiles as a "watch officer" on the satellite programme, to pocket the manual and take it home.

Until last year, the Sandinistas advocated a Marxist victory through a prolonged popular war. Now, however, their main force professes to be more interested in an immediate popular insurrection supported by a wide range of groups in Nicaraguan society.

In an interview published last year, one Sandinista leader said that the group would continue pushing for socialist goals, but would hold free elections after Somoza was deposed.

Over the past year the Sandinistas have launched a number of attacks against national guard barracks and other Government targets. They have posed a constant problem for the Somoza regime but by themselves are not likely to be able to overthrow the General or defeat the 7,500-man national guard.

The "Sandinistas" have been active since 1965 in violently opposing two military-backed regimes headed by members of the Somoza family.

The current President of Nicaragua, General Anastasio Somoza, took power in 1967 and

over the past year has faced sharply increased opposition from the Sandinist guerrillas and other groups (including businessmen) who want him to resign.

They were holding the officials in support of demands for a 500m ransom, the release of over 100 political prisoners, and a plane to fly them out of the country.

Joseph Mann writes from Caracas: Yesterday's lightning guerrilla attack on the national palace in Managua—the seat of Nicaragua's legislature—constitutes the most daring effort to date by the Sandinist Front for National Liberation.

The "Sandinistas" have been active since 1965 in violently opposing two military-backed regimes headed by members of the Somoza family.

The current President of Nicaragua, General Anastasio Somoza, took power in 1967 and

U.S. BANKING REFORM

Bid for fairness wins few friends

BY DAVID LASCELLES IN NEW YORK

A SIMPLE—and to European eyes, harmless-looking—proposal by the Federal Reserve Board to allow banks to transfer money automatically from a customer's savings to his current account to meet an incoming cheque has raised something of a storm in the U.S. banking community and left it deeply divided. Petitions and even a lawsuit have been got together in try to delay or even repeal the proposal, which is due to take effect on November 1.

The reason for the fuss is that the Fed's proposal strikes at the very heart of regulations designed to separate the functions of savings and commercial banks to so doing it has stirred up the debate about retail banking which, by general consensus, faces testing times. It should also be seen in the context of the tight U.S. banking laws that regulate everything from interest rates to where and how a bank can open its doors.

Because savings banks are seen as a major source of funds for housing, they have historically been permitted to pay out one quarter of a per cent more in interest to depositors than commercial banks. For many years, the commercial banks tolerated this since savings banks could never replace them as purveyors of basic banking services.

But times have changed. Fourteen states, mainly in the north-east, have come to allow savings banks to hold current accounts and issue cheque books. Some savings banks in New England have even devised so-called negotiable orders of withdrawal (NOW) which enable customers to write the equivalent of cheques drawn on savings accounts.

Taken together with the interest rate differential, these changes have greatly strengthened the savings banks' competitive position, and have produced an outcry from the commercial banks who have great trouble making a profit out of their retail operations.

The Fed's proposal aims to redress the balance by giving something to the commercial banks. The idea is to increase their attraction to depositors by making it possible for customers to leave all their money in interest-bearing accounts, and not have to worry about transferring funds to meet a cheque. The reason why the Fed did not go the whole way and abolish current accounts altogether is that the U.S. banking law forbids the paying of interest on demand deposits. The automatic transfer of money from savings to current accounts to pay a cheque is therefore basically a fiction to get round this obstacle.

Predictably, the savings banks were quick to oppose the Fed's idea which is bound to reduce their competitive advantage. The U.S. League of Savings Banks Associations sued to block it on the grounds that it amounted to allowing payment of interest on demand deposits, which is illegal. That suit will probably be heard in September.

Less predictable, though, was the reaction of the commercial banks themselves. Far from welcoming a reform which would make them more attractive to depositors, the majority have objected on a variety of grounds.

Broadest opposition comes from the smaller rural and suburban banks who say they are not equipped to take advantage of this change in the rules. To perform automatic operations effectively, they need sophisticated and expensive electronic equipment which few of them are in a position to buy. The Independent Bankers' Association, which represents half of U.S. banks, though only 20 per cent of banking assets, is giving

what it calls "moral support" to the savings banks in their law suit, and it has asked its members to lobby the authorities and Congress.

A much sharper attack has come from the New York Independent Bankers Association which has circulated a petition to banks in New York State and the other states where commercial and savings banks are in direct competition. (In the remaining states, savings banks are not allowed to hold current accounts, so the issue does not arise.)

New York's main grievance is that even if commercial banks are allowed to start automatic fund transfers, they will still be at a competitive disadvantage vis-a-vis the savings banks because of the quarter of a per cent interest rate differential these enjoy.

The petition, which has so far been signed by 520 banks, demands that the Fed's deadline be extended to next May 1 if necessary, in order to get this differential abolished.

The petition is supported by most of the major New York banks, including the largest, Citibank, who have communicated their views directly to Washington. The inclusion of Citibank is significant since this bank has led the way in automatic and electronic banking and might therefore be said to have the biggest stake of any U.S. bank in getting the Fed's proposal through.

Quite what effect the commercial banks' representations will have is still hard to assess. The Fed has denied reports that it more than a preliminary will reconsider its proposal, although it acknowledges that it

has received comments from the banking community which will be drawn to the Board's attention. Its attitude may, however, be swayed by the fact that the Federal Deposit Insurance Corporation, one of the main bank regulatory agencies, has come out in favour of rate parity.

The savings banks' objections will, of course, be decided on in court (interestingly, Congress, which is always quick to spot what it considers to be an infringement of its rights, does not think that the Fed has exceeded its powers).

However, the commercial banks' demands for interest rate parity with the savings banks could be examined by Congress during the autumn. The present law enshrining the differential must be reviewed by December 13, and a successor which would create parity has been introduced into sub-committee of the House Banking Committee.

It is too early to gauge its chances, except to say that although commercial banks claim that the disintermediation of U.S. interest rates has removed the need for the savings banks' special status, the savings banks remain the major source of housing funds.

Broadly, though, the dispute remains an elaborate pique between U.S. banking regulations which ignore—and even confuses—the main issue, which is whether banks should be allowed to pay interest on current accounts, an issue which has also exercised minds in Britain.

The large commercial banks want this right, and have been lobbying for it for some time. Although it would unquestionably add to their costs, they believe they could offset this partially by charging higher fees for services, partly by gaining a larger market share. But from whom? The smaller banks' savings banks' The present dispute may turn out to be no more than a preliminary skirmish in the big battle to

WORLD TRADE NEWS

Peking clarifies trade intentions

BY JOHN HOFFMANN

CHINA has re-affirmed that it is ready to apply international trade practices in foreign trade.

The Third World giant's drastic turnaround in economic policy was further clarified this week by Mr. Liu Hsi-wei, the chairman of China's delegation to the Ministerial conference on co-operation in trade for Asia and the Pacific region now in session in New Delhi.

The acknowledgement by Peking that modernisation and industrialisation would demand a new approach to foreign trade has caught the attention of trading countries all over the world, but they have been uncertain about how far China would go in "normalising" its practices.

Already it is manifestly clear that China will depart further from its traditional policies of isolationism and "self-reliance" than would have seemed possible a year ago.

Mr. Liu said at the New Delhi conference that China's basic principle of maintaining independence and relying on its own efforts was unchanged. But he added: "Self-reliance in no way means seclusion and refusal of international co-operation."

"On the basis of mutual respect for national independ-

ence, sovereignty, equality and mutual benefit, we stand ready to apply, in a flexible way, all the internationally-accepted practices in foreign trade and economic co-operation."

But China's flexibility is especially notable in its interpretation of economic terms. While reluctant to engage in direct borrowing, Chinese econ-

omically put itself in debt to another country on a scale by China's willingness to explore payment-in-kind arrangements for establishing export-oriented consumer-goods factories wholly financed by foreign capital.

China's seriousness about this form of financing cannot be doubted in view of the present drive for quality improvement in factory products.

The emphasis extends to industrial design and packaging and is reflected in an exhibition of Shanghai products now on view in Peking. The products include electrical appliances, glassware, cosmetics and leather goods, many of them superficially similar to familiar western products but others showing a new appreciation of the market value of innovative design.

Few of the products have been seen in Chinese retail shops and most are obviously intended for export, with English-language packaging.

John Wicks writes from Zurich: The Swiss engineering concern Sulzer Brothers, of Winterthur, has granted a production licence to China National Technical Import Corporation of Peking, for the manufacture of its twin-stroke crosshead engine. This slow-running diesel will be used in the equipping of the Chinese merchant fleet.

While opposed to joint ventures, they have discussed the prospect of co-operative developments in which the partner would share ownership not of the means of production but of the product itself—in offshore oil development, for example. This principle of disguised

TOKYO, August 23.

The treaty, signed in Peking on August 12, will go into force after instruments of ratification are exchanged later this year. The mission will be led by the association president and former Foreign Minister, Mr. Aichi Fujisawa.

While opposed to joint ventures, they have discussed the prospect of co-operative developments in which the partner would share ownership not of the means of production but of the product itself—in offshore oil development, for example. This principle of disguised

are some "internationally-accepted" practices that China simply will not adopt.

The government has said firmly that it will not finance its development by government loans or by joint ventures. These reservations are basic and unalterable, even in the context of China's more liberal economic outlook.

It is a tenet of Maoist Communism that China will never

Growing Chinese involvement in Nepalese economy

BY SUE LOCKWOOD

A 10-MAN Chinese team is currently in Nepal putting the finishing touches to a feasibility study for the construction of a concrete dam on the Rapti river.

This compares with the 14 destinations permitted to British airlines under the Bermuda II agreement.

In return, the U.S. will ask for more liberal charter rules between the two countries, and greater flexibility on fares. The U.S. is proposing that any fare proposals by U.S., German or third country airlines on flights between the U.S. and Germany would automatically go into effect, unless both governments disagreed.

These three new projects join an already substantial aid programme funded from the profits of Chinese consumer goods sold in Nepal.

In the Kathmandu valley, China has built an inter-city trolley bus system, a shoe factory, a brick and tile factory and a ring road around the main city.

South of the capital, China is finishing a 510m cotton textile mill, which may take five to 10 years to become a money-making proposition. The only cotton cultivation project in the country will need at least 10 years to grow enough raw material to supply the mill, and to fill the

gap. Nepal has airfreighted the first 200 tons of cotton from Pakistan.

Even utilising the subsidised imported cotton, it is unlikely that the first 100m of cloth produced annually will be able to compete with the inexpensive Indian textiles that dominate Nepal's market. But some 80 per cent of Nepal's trade is dominated by India: the Government considers that the availability of Nepalese substitutes for Indian imports is more important than the mill's money-making capacity.

Two of Nepal's main highways have been built with Chinese aid, one of which, the Nepal-China Friendship Highway, runs along the border north to the Chinese border. Another two are currently under construction—both with Chinese aid. Ten thousand Nepalese workers are building the 95 km Gorkha-Narayanghat highway while the 40 km Pokhara-Pokhara highway, costing over \$90m, will be China's second largest foreign aid project since

the railway linking Tanzania and Zambia.

Most of the present trade with China, which has increased from \$3m in 1975-76 to over \$8m this year, arrives in Nepal via the port of Calcutta. And with the promise of further trade expansion with Nepal, the bulk of the growing exports and imports will continue to be transported from Canton or Shanghai through Calcutta or vice-versa.

For centuries, trade routes have run north and south from Tibet to India exchanging musk, salt, turquoise, red coral and livestock for rice, grains, spices and more recently, Nepal has supplied candles, tea, corrugated aluminium sheeting and shoes from the Chinese-built factory in Kathmandu.

Nepal has maintained a consulate-general's office with a five-man staff at Lhasa in Tibet for more than 30 years to handle trade matters. Although business was a bit slow after the Chinese takeover, Nepal's little office at Lhasa undoubtedly is going to see business pick up again.

N.Z. studies new aircraft

By Dai Hayward

WELLINGTON, August 23. NEW ZEALAND aviation authorities are evaluating Canadian, German, American and Brazilian aircraft for the replacement of the Air New Zealand fleet.

The aircraft under consideration range from 20-seaters to 400-seaters. Air New Zealand is evaluating aircraft to take over from its DC 10 fleet while smaller aircraft will be needed for the internal domestic flights.

The Canadian Twin Otter is understood to be the front runner for the smaller aircraft but similar types from Germany, Brazil and the U.S. are also being looked at.

The rapid growth in business, particularly on the New Zealand, Los Angeles and New Zealand, Singapore and Hong Kong routes means that Air New Zealand wants a bigger aircraft than the DC 10.

Dutch chemical sales continue slow decline

BY CHARLES BATCHELOR

AMSTERDAM, August 23.

DUTCH CHEMICAL exports fell in the first four months of 1978, dropping 2.3 per cent to Fl 5,250m (\$2,430m) from Fl 5,370m in the same 1977 period.

This follows a decrease of 3.6 per cent to Fl 17,880m in the whole of last year, compared with 1976, the chemical industry association (VNCI) said.

Exports of pharmaceuticals, lower although they were higher, as were artificial fertilisers.

Imports rose 1.3 per cent in the first four months to Fl 2,970m from Fl 2,830m. These figures exclude synthetic fibres and yarns.

The decline in chemical in-

dustry exports contrasts with a very slight increase in the value of total exports in the period. Holland exported goods worth Fl 36,360m in the first four months compared with Fl 36,260m in 1977.

The chemical industry is heavily dependent on exports and they account for 86 per cent of turnover last year. The industry complains of high wage and energy costs as well as tough environmental regulations.

Holland has the fifth largest chemical industry in Europe, according to CEFIC, the European Council of Chemical Manufacturers Associations. Its share in the \$114bn West European chemicals industry fell to 6.07 per cent last year from 6.13 per cent in 1976.

The decline in chemical in-

Track orders for British Steel

By Roy Hudson

ORDERS FOR rail track products worth more than \$8m have been won by a British Steel Corporation sales team from Africa, the Middle East, and the Far East.

Rolling of the steel will be done at the corporation's works at Workington, Cumbria, during the next six months.

The biggest order, from Tanzania Railways, totals \$2.3m. Malawi Railways have placed a \$300,000 order. Both contracts are to be financed by UK loans through the Ministry of Overseas Development.

Other rail orders have been taken from Kenya, Ghana, Zambia, Sri Lanka, Malaya, and Iraq.

STC wins Italian award

Standard Telephones and Cables (STC) won an OBR order from Italy for a 257 nautical mile undersea telecommunications system capable of carrying up to 5,520 simultaneous telephone calls or two-way colour television and 1,500 telephone circuits.

It will be installed next year between Genoa and Sassari in north west Sardinia.

STC's submarine systems division, which has factories in Greenwich and Southampton, will design, construct and install the link.

Sudan rail link closed

The vital Port Sudan link has suffered another wash-out. Alan Darby reports from Khartoum. Some 12.5 miles of track near Port Sudan was washed away by heavy rains in the Red Sea Hills over the weekend.

About four miles have been rebuilt but reconstruction of the rest has been delayed because of the telecommunications difficulties between the capital and port. Wash-aways to the unballasted track frequently occur at this time of the year, but this year's unusually high rainfall has caused more severe damage. Sudan is at present negotiating external loans to finance improvements to the railway system.

Combustion for Iraq

Combustion Engineering of Stamford, Connecticut, says its Lummus and Crest subsidiaries will provide engineering and field advisory services to Petro Engineering of Japan on a \$10m gas project in Iraq. Reuter reports.

Von Roll funicular

The Berne-based machinery and material handling division of Von Roll has received an order worth SwFr 7.5m for the construction of the Sunshine Village cable-car railway in Banff, Alberta. The system will consist of a series of six-man cabins working in a continuous circulation with an hourly capacity of 1,800 people.

China to make Sulzer engines

WINTERTHUR, August 23.

SULZER BROTHERS says it has signed a licensing agreement with China's National Technical Import Corporation under which China will be able to produce Sulzer diesel marine engines.

Sulzer said China was planning to expand its merchant fleet and that the agreement covered production under licence of large, slow-running, two-stroke diesel engines.

AP-DJ

Carter backs export policy

WASHINGTON, August 23.

PRESIDENT Jimmy Carter has given the green light for a series of monetary policy actions.

The National Export Policy (NEP) task force, a Cabinet-level group headed by Commerce Secretary, Mr. Juanita Kreps, had advised Carter earlier that the U.S. could not rely on the dollar's depreciation against other currencies to bring about a swift improvement in U.S. export performance.

With the U.S. effort to bolster

the dollar in international monetary markets through a series of monetary policy actions.

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With the U.S. effort to bolster

Tangle over Ericsson's Brazil bid

BY SUE BRANFORD

WITH THE surprise announcement yesterday of the disqualification of Ericsson from the bidding for 540m contract to supply 50,000 lines for a storage programme controlled (SPC) telephone exchange in Sao Paulo, the chances of Standard

Electrica do Brasil, ITT's Brazilian subsidiary have increased greatly.

But although an Ericsson spokesman in Stockholm said he understood the Brazilians had decided to start negotiations with ITT, there is a possibility that talks could run into the same difficulties over "Brazilianisation" which apparently scotched Ericsson.

As one of the conditions for the contract, Telebras, Brazil's State-owned telephone company, stipulated that foreign partners must only have a minority share in the proposed project and that, eventually, the Brazilian members must take over 100 per cent of the voting shares.

Carpet industry seeks help

By Alan Pike,
Labour Correspondent

TUC LEADERS are seeking a meeting with Mr. Eric Varley, Industry Secretary, to ask for Government action to overcome problems in the carpet industry. The unions want the Government to establish a study of the industry which, says the TUC, is suffering severe problems through falling employment, falling production, company closures and over-capacity. Union leaders will tell Mr. Varley that although the industry benefits from temporary employment subsidy, job problems remain acute, particularly in the Kidderminster area. Although the unions accept that part of the problems result from a recent fall in sales they are concerned about long-term difficulties arising from the "haphazard" way in which changes from weaving to the less labour-intensive tufting process have taken place.

At present, the British industry dominates the home market but unions are worried that lower cost imports may become a growing problem.

Lake District law staff

THE LAKE DISTRICT Special Planning Board is to appoint its solicitor and legal staff to help run its affairs as an independent body.

The chairman and vice-chairman of the Board's finance committee announced yesterday that, with the agreement of the chairman of the Board and Cumbria County Council, they had "given authority for the Board to advertise for its own legal staff."

AB ELECTROLUX

THE MANAGING DIRECTOR'S HALF-YEARLY REPORT FOR 1978

The Group
At the beginning of this year the majority of the shares in Husvarna AB were acquired by means of convertible debenture notes totalling SEK 98 million (MKR), bearing 8 per cent annual interest. Thereafter further shares in Husvarna AB have been acquired for cash, and 97.6 per cent of the total shareholding has now been acquired. In addition, 38.4 per cent of the ordinary shares in ASEA, Industria E Comercio, Sao Paulo, Brazil, has been acquired from ASEA. The company manufactures and sells domestic vacuum cleaners, mixers, fans, heaters, and its production included also electrical equipment and electronic motors, but this activity has been disposed of to ASEA's subsidiary in Brazil. This transaction is a stage in the restructuring of the activities of Electrolux and ASEA in Brazil. Payment for the shares in Arno has been made by means of convertible debenture notes totalling 33 MKR and bearing 8 per cent annual interest.

The Therna Group in Switzerland has early this year been incorporated in the Electrolux Group. The Therna Group manufactures and markets domestic electric cookers, water boilers, equipment for the electrical heating of private houses and apartments, kitchen fittings, catering equipment and refrigeration equipment for hotel kitchens, food stores, etc. The acquisition has been financed locally.

As at May 24, 1978, the Group Company AB Deverums Bruk has in Sweden AB Jernföretagets activity subject to certain conditions in regard to loans and contribution from the Government, provided that employment is kept at an agreed level in Hälleforsnäs. A proposition in this respect will be laid before the autumn session of the Riksdag.

A summary of the Electrolux Group's trading result for the first six months of 1978 is as follows (MKR):

	1978	1977
Sales	5,669.5	4,254.4
Operating result before depreciation	620.6	537.4
Normal depreciation	-201.6	-139.2
Operating result after depreciation	419.0	398.2
Interest net and dividends received	-123.0	-82.6
Operating result after interest and dividends received	296.0	285.6
Extraordinary profits and costs	93.3	-7.5
Result before appropriations and taxes	389.3	287.8

The Husvarna Group equity exceeded the purchase price paid by Electrolux, and in the consolidation this excess has been set up as a reserve, against which losses from the Husvarna activities will be charged. During the first half of 1978 the Husvarna Group's operating result after interest and dividends received was a loss of 15 MKR, which in the consolidated reports has been charged against this reserve. The newly acquired companies account for about half of the 33.3 per cent increase in sales turnover. Sales to customers outside Sweden totalled 75.7 per cent of the total sales as against 74.4 per cent during corresponding period last year.

Exports from all Swedish companies totalled 1,066.1 MKR (824.3 MKR excl. companies newly acquired) compared with 783.3 MKR during the first half of 1977.

Given that the activity during the second half of 1978 is expected to show a better result than during the corresponding period last year, the profit forecast made in the Annual Report is still valid, i.e., a result improvement for 1978 of around 10 per cent, provided that no additional major variation arises in important currencies for the Group.

Investments in fixed assets amounted during the first half of 1978 to 316 MKR as against 183 MKR during the corresponding period last year.

The Group's liquid assets have since last year-end increased by more than 150 MKR.

The Parent Company

A summary of AB Electrolux trading result for the first six months of 1978 is as follows (MKR):

	1978	1977
Sales	783.3	750.6
Operating result after interest and dividends paid	54.1	61.2
Result before appropriations and taxes	148.2	61.2

Investments in fixed assets (buildings and tools) amounted during the first half of 1978 to 20 MKR. This low figure is identified with the fact that since the beginning of the year a Group Leasing Company has purchased new machinery and equipment required by AB Electrolux.

The Parent Company's liquid assets were almost at the same level as at last year-end.

In addition to the two convertible debenture loans mentioned earlier, AB Electrolux has issued a further convertible debenture loan totalling 139 MKR against cash payment, received after the end of June. It is intended to use this loan to finance expected continued expansion of the Group.

The minority shareholders in Husvarna AB have been invited to sell their shares to AB Electrolux at the price of 130 SKR each. The number of shares held outside the Group is today 19,885. The Board has now decided to demand compulsory purchase of those shares in Husvarna which are still held outside the Group as at October 1, 1978.

Stockholm.

22nd August 1978.

Profit target missed by Leyland offshoot

By MICHAEL CASSELL

SP INDUSTRIES, the specialist engineering offshoot of British Leyland, fell well short of its forecast profit target in the first six months of this year. The latest edition of the company's staff newspaper, SP News, says that the full extent of the shortfall will be revealed next month along with BL's first-half figures. They will reflect trading difficulties experienced at home and abroad in depressed markets and against fierce competition. SP Industries, BL's eighth biggest engineering business and last year experienced a shortfall on profits which reached only £12.4m before interest, compared with the £16.2m budget on sales of just less than £200m.

For the current year, the company was budgeting for sales of £200m, although it expected the continuing squeeze on margins to produce a final profit for the year of £17m.

SP is involved in the manufacture of construction equipment, via its subsidiaries, Aveling-Barford, Aveling Marshall, Goodwin Borsby and Barford of Belford; forklift trucks (Coventry Climax); military vehicles (Alvis); and commercial refrigeration (Frostcold).

Same reasons

According to SP News, Aveling-Barford and Prestcold have borne the worst effects of poor trading conditions, while the company's other business groups still remain ahead of budget.

In what largely constitutes a repeat of the reasons given last year for the company's below-target performance, SP says that the strengthening of the pound and industrial disputes have added to problems.

Mr. David Abell, SP managing

director, is quoted by the newspaper: "Against a background of poor market conditions, it is disappointing that sales were lost as a result of internal disputes. This has been a particularly bitter pill to swallow."

Mr. Abell said that a managing director's "summit" had been held to examine ways to improve profits, reduce overheads and trim capital expenditure "in an effort to salvage as much of the 1978 budget as possible" although it is understood that the results for the full year will still be significantly less than forecast.

Aveling-Barford apparently has suffered at the hands of competition from the U.S.—76 per cent of its production goes overseas—while Prestcold Scotland, also facing tough competition, has been hit by damaging industrial disputes. Internal disputes within SP as a whole have lost twice as many hours as in the same period last year.

'Limit special steel imports'

A QUOTA SYSTEM for special steel imports which would allow foreign producers between 20 and 30 per cent of the British market was proposed yesterday by Mr. Stanley Speight, the Master Cutler, and chairman of Neepsand, a major Sheffield special steels producer.

Mr. Speight's proposal, which has support within the industry, is that Britain should copy the U.S. quota system for special steels. The American system has been effective in protecting the home market.

Most European producers have found it impossible to increase their U.S. market share during the world steel trade recession.

Mr. Speight said yesterday, "The U.S. system is the only way we can provide a long-term defence of the U.K. special steel industry from the teeth of persistent cut-price selling into Britain."

particular by some other EEC producers. The Government is considering the case for more protection for the British special steels industry as a matter of urgency following a call for action from the National Economic Development Office Iron and steel sector working party this week.

A 20-30 per cent market share for special steels imports would not be as generous as it sounds. During last year foreign producers seized between 50-70 per cent of areas of the British special steels market (depending on product) by vigorous selling and keen pricing.

Intervention urged in cutlery dispute

By RHYS DAVID

THE GOVERNMENT is being asked to bring together both sides in the Sheffield cutlery dispute to discuss their differences.

The appeal was made yesterday in letters from Mr. John Price, president of the Federation of British Cutlery Manufacturers, to Mr. Michael Meacher and Mr. Barry Crier, junior ministers at the Trade and Industry departments. It follows the refusal by the federation to join talks arranged by the older established Cutlery and Silverware Association.

The federation, founded earlier this year, has been engaged in a prolonged dispute with the association over the measures needed to help the industry counter the high level of import penetration.

The association is backing the introduction of quotas but has been outbid in a demand for protection by the federation which wants a phased reduction in the share of the U.K. market open to imports.

Mr. Price last week rejected the association's proposal that chief executives of the ten leading companies should meet and instead suggested talks between the two organisations.

The association accused Mr. Price of being reluctant to meet his opposite numbers and of undermining the industry's submission on imports to the Government by putting a different case.

The association said the meeting of executives would go ahead with or without Mr. Price and would seek to arrive at recommendations on imports of finished and semi-finished cutlery, the effects on employment and guidelines in relation to marking.

The issue of marking—whether or not Sheffield can be stamped on goods finished in the city but largely manufactured elsewhere—has also been a cause of dispute within the industry and a conference on the issue will be held today under the auspices of Sheffield City Council.

Robson Rhodes in new international firm

By ANDREW TAYLOR

ROBSON RHODES, the UK accounting firm, is to link up with four North American accounting groups, three U.S. and one Canadian, to form a new international accounting concern.

It is to replace the British group's former partnership agreement with J. K. Lasser, which merged with Touche Ross last year. Robson is to maintain its links with Dunwoody and Co., the Canadian accountants, but this latest deal adds three new partners to the international partnership.

They are McGladrey Hansen Dunn, A. M. Pullen and Moss Adams, the latter two being named Dunwoody Robson McGladrey and Pullen. It will be represented by more than 600 partners and 3,000 staff members in 43 countries.

Mr. James Clement, a senior partner of Robson Rhodes, said yesterday that the new international partnership will be among the world's top 20 accounting concerns and is expected to generate gross fee income of about \$120m (£82m) in the current year.

Norway sector to boost Frigg output

By Kevin Done, Energy Correspondent

GAS SUPPLIES from the North Sea Frigg field will be boosted over the next few weeks as production starts from the Norwegian sector. Elf Aquitaine, the operator for the Anglo-Norwegian field, said yesterday that gas had already started to flow through the 225-mile pipeline linking the Norwegian part of the field to the reception terminal at St. Fergus, north of Peterhead.

This second phase of the field development should be completed by the beginning of October, when supplies to the British Gas Corporation are due to be increased to 35m cubic metres a day.

The field's output cost nearly £22a to develop, first came on stream in September last year, and gas supplies have built up gradually to about 20m cubic metres a day.

When the field reaches peak production of some 42m cubic metres a day at the end of 1979, it will be accounting for about 30 per cent of British Gas's present supplies.

Elf said that 17 out of 24 wells had now been completed on the No. 1 concrete drilling platform and seven of the 24 wells on the second drilling platform should be finished by October 1.

About 60 per cent of the Frigg field is in Norwegian waters, the remainder in the UK sector. Elf Aquitaine has a 51.3 per cent interest in the whole field, Total 25.5 per cent, Norsk Hydro 20 per cent and Statoil 3.1 per cent.

Plutonium inquiry under way

Financial Times Reporter

SIR EDWARD POCHIN, a world authority on radiology, arrived at the top secret Atomic Weapons Research Establishment at Aldermaston yesterday to start his two month investigation into health and safety standards at the plant.

He was called in by the Government after it was discovered last week that 12 workers at the establishment suffered from plutonium contamination at levels of up to twice as high as the limits recommended by the International Commission on Radiological Protection.

On Tuesday, a section of the plant was closed after unions had expressed fears over health and safety precautions. It has not been disclosed what type of work was carried out in the section or what the safety fears were.

Property man extradited

Financial Times Reporter

MR. TREVOR PEPPERELL, aged 50, a property consultant, who has been in custody in Oldenburg, West Germany, on an extradition warrant alleging that he stole £2.4m from the London and County Securities banking group in 1972, returned to Britain with Scotland Yard officers last night. He is expected to appear at Bow Street Court today.

Scots plan new foreign links to lure industry

By RAY PERMAN, SCOTTISH CORRESPONDENT

SCOTLAND is planning to attract foreign industry by opening offices in Europe and the United States to approach potential investors ahead of other Government agencies.

The Scottish Development Promotions director, is in New York negotiating an agreement with public relations consultants to represent the agency.

Representative offices could be opened later in Texas and California.

Mr. Gareth Le Sueur, development manager for the agency, said yesterday: "The Government tries to ensure that the overall British effort is co-ordinated."

"Perhaps there could sometimes be a slight conflict between our loyalty as Scots and our loyalty as Britons. But we accept that you must sell the UK before you sell Scotland."

"By promoting ourselves directly abroad we want to improve the chances of companies which will anyway go through the established channels, asking companies and to provide a link to the European Commission. It is considering boosting this do not want to go through the established channels."

More curbs on adverts for cigarettes sought

FINANCIAL TIMES REPORTER

A NEW independent authority to control tobacco advertising and promotions was called for yesterday by the Action on Smoking and Health pressure group.

The proposed authority would aim to make effective the present restrictions on tobacco promotions which the group believes are being flouted by the industry. It will present its case in a detailed memorandum to Mr. Roland Moyle, Health Minister, at a meeting within the next few weeks.

The group is seeking a firm commitment from the Government before any election on its policy towards cigarette advertising and promotions. The Conservative policy also is likely to be sought by the group.

In its memorandum to the Minister, Action on Smoking and Health says that the existing curbs on cigarette advertising have led to a proliferation of new forms of sales promotion and that "such curbs as exist have failed to deter."

The group wants an impartial body to monitor all tobacco sales and promotions, administer all existing codes of practice and introduce new curbs which are in the public interest. The new body should also have warning of all sales promotion activities planned by tobacco companies.

The memorandum lists other proposals for tightening curbs. These include curtailing special promotional mailings to other than known smokers, further restrictions on advertising and the banning of offers of free cigarettes.

Mr. Mike Daube, the group's director, said yesterday that the present curbs were well-meaning but totally inadequate. This had been demonstrated by the excesses of cigarette sponsorship in sport, television's same-name pipe, cigar, and shop advertising, and the recent Big Smoke Express brand launch.

His pressure group would press the Minister "to recognise that voluntary agreements with the industry are ineffective, and that the smoking and health campaign cannot be expected to succeed until the Government stops equating a man's lives up to its responsibilities."

Vaccine protects burns victims from infection

FINANCIAL TIMES REPORTER

A VACCINE which could greatly simplify the treatment of major burns in Britain and revolutionise it in Third World countries has been developed at the Medical Research Council's industrial and burns unit at Birmingham Accident Hospital.

The vaccine protects against a group of bacteria called pseudomonas, which do not attack healthy people but which can be lethal to the severely burnt patient once infection is established. The bacteria are already resistant to all but one of the available antibiotics.

In Britain infection is generally avoided by barrier nursing which isolates the patient from infection. But there are still occasional deaths from pseudomonas.

In Third World countries, where less sophisticated techniques are available, pseudomonas infection is a major cause of death in cases of severe burns.

The vaccine, developed over 12 years at Birmingham Accident Hospital with Wellcome Laboratories, is still on clinical trial and is not yet widely available.

Dr. Rodney Jones, senior scientist involved in the vaccine's development, said yesterday: "In India they are already thinking of protecting all young people with the vaccine, as many people cook with oil stoves and with the loose saris worn there are some terrible burns resulting."

£500,000 spent on research for disabled

Financial Times Reporter

GOVERNMENT health departments and agencies spent more than £500,000 on research and development of equipment and aids for the disabled last year. That figure emerges from the eighth report on research and development work on equipment for the disabled, published yesterday under the Chronically Sick and Disabled Persons Act, 1970.

The report, which describes research and development projects undertaken by health authorities and local and central government departments during 1977, concludes that progress has been maintained.

Individual projects undertaken by health authorities are listed and the report details research conducted or planned by government agencies and establishments.

Research and Development Work on Equipment for the Disabled 1977; HMSO.

Plan to extend training for young workers

Financial Times Reporter

THE GOVERNMENT is keen to improve the opportunities of young people to receive direct vocational training after they have left school.

Since 1976, under an experimental scheme, 16- to 19-year-olds who go straight out to work with little prospect of further education or training have been able to attend vocational courses with the co-operation of their employers.

The courses are due to run until 1981 at a total cost of £4m. But the Government and the Manpower Services Commission want to link into ways of further extending vocational preparation.

A joint study group, chaired by Mr. Richard Bird, an Under-Secretary at the Department of Education and Science, will consult with the TUC, the CBI and training organisations within industry and education.

Rank deal establishes Toshiba in Europe

TOSHIBA'S DECISION to help to rescue the Rank loss-making television manufacturing business is just one move in a complicated game which the Japanese are playing, to consolidate their hold over the world's consumer electronics markets.

Their basic dilemma in television and audio, as in motor cars, is that their success in marketing highly competitive products has provoked retaliatory actions.

There has been a sharp reduction of imports to the U.S. reluctantly agreed by Japan after protests from U.S. manufacturers including the two main producers, RCA and Zenith.

Japan agreed to limit exports to the U.S. to 1.75m sets a year for the next three years, compared with a peak nearly 3m sets in 1976. At that time, Japanese imports and the output of subsidiaries in the U.S. took 40 per cent of the colour television market.

To counter restrictions on imports, most major Japanese companies stepped up plans to manufacture in the U.S.

Sony, already well-established with a factory in San Diego, launched an ambitious expansion plan.

Matsumita, the other major manufacturer, also started to increase production. In December, Toshiba announced that it would build a new plant in Nashville, Tennessee, while Hitachi signed a joint venture agreement with General Electric.

Although some U.S. manufacturers have criticised Japan's increased U.S. production, this has not yet encountered any serious obstacles.

Zenith, transferring production to a cheaper labour area in

Mexico and RCA, which already manufactures offshore, are not in a strong position to criticise companies which bring jobs to the U.S.

Europe presents similar, though more complicated, problems for Japan. It is the one major market left for the Japanese consumer electronics companies to exploit.

With home production falling to 9.53m sets last year from a peak of 10.53m in 1976, Japan needs a new market.

The Japanese domestic market for colour televisions has reached saturation point. Exports fell last year by nearly 16 per cent to 4.42m sets, compared with 5.25m in the previous year. Consequently, the growth rate of Japanese exports has been dependent on consumer electronics sales.

Expansion into Europe is complicated by the licensing arrangements for Telefunken's PAL colour system, used in all West European countries except France, and by the strength of national companies like Grundig in Germany and Thorn in the UK.

Under the PAL licence, Japanese companies are prevented from exporting the larger 22-inch and 26-inch sets into Europe.

The licence also limits the exports which a Japanese company could make from a manufacturing subsidiary inside Europe. Exports from such a factory must not exceed the number of sets sold in the domestic market of the country in which the plant is situated.

This restriction effectively limits a Japanese European manufacturing ambition to the UK and Germany, the only countries with a sufficiently large domestic market.

High labour costs in Germany

and the preference of German consumers for familiar German brands has narrowed Japan's choice to the UK.

Two further factors tend to confirm the UK as a suitable manufacturing base for Japan. Japanese engineers are already familiar with the English language, particularly in a company like Sony which already has a U.S. subsidiary.

Secondly, Japanese companies obtained a healthy 12 per cent share of the 1.6m sets-a-year UK market, following the 1972 consumer boom when British companies were unable to meet demand.

The growth of protectionist pressures in the UK television industry has provided a further motive for seeking a manufacturing subsidiary in Britain.

The first two companies to set up factories in the UK, Sony and Matsushita, encountered no difficulty.

Their plan to bring extra jobs to the development area of South Wales was welcomed and subsidised by the Government.

But last summer, when Hitachi tried to follow suit with plans for a plant in Washington, County Durham, it met opposition from trade unions, British companies, and the multinational Philips.

The continuous depression of the UK market, coupled with the steady improvement of productivity, has left most factories with 40 per cent to 50 per cent over-capacity.

A threat of redundancies hung over the whole industry, and it was generally feared that Hitachi's UK plans would hasten redundancies elsewhere.

Hitachi withdrew gracefully to save the British Government from an embarrassing decision.

But the redundancies were not prevented.

Thorn subsequently announced the closure of one of its three factories, while Philips, GEC and Deca made significant cuts in their labour forces.

Hitachi was encouraged by the British Government to consider forming a joint venture.

It is believed to have held talks with the General Electric Company (GEC) about a similar deal to that which it signed in the U.S. with General Electric (not connected to GEC).

The reasons for Rank's or GEC's need for Japanese help to make television manufacture profitable is less obvious.

Firstly, Japanese sets have established a high reputation for quality and reliability.

British manufacturers privately admit that their own sets were substantially less reliable in the early 1970s, and that the imbalance has been redressed, consumers are naturally influenced by the past performance of sets bought previously.

Secondly, the Japanese, with their huge production volumes, have been able to finance research and development on a scale which is completely out of the question for many of the smaller British manufacturers.

Research and development has become increasingly important because of the shift of emphasis towards economies of scale and automatic mass production techniques.

The increasing complexity of integrated circuits has meant that television sets are being redesigned with fewer and fewer, though more complicated, circuits.

Thorn, the UK market leader, estimates that the number of separate components in a television set will be reduced from about 1,370 in 1970 to about 400 in the early 1980s.

Computer-controlled assembly machines are just being introduced. These rapidly reduce the need for direct labour.

By 1980 the number of components needing hand assembly will be cut to about 200 or fewer per set compared with about 670 last year.

Just beyond the immediate horizon is the probability of even more radical change, such as the replacement of the television tube with a flat screen based on liquid crystal display technology used in calculators.

Already, Western manufacturers are faced with the fact that they have been beaten by the Japanese in the development of cassette video recorders, and decisively outclassed in the production of music centres.

For these reasons, it is inevitable that television and audio manufacture will move further into the orbit of large multinational companies.

In Europe, it will probably end in a straight fight between Philips, the Japanese and perhaps half a dozen of the present European companies.

Even GEC, with its huge cash reserves, has understood that it cannot compete on the old basis.

It must either commit a very large investment in a risky effort to become an international force in consumer electronics, or team up with a company which already has such a position.

There is always a third possibility of simply selling out of the business altogether.

GEC would probably prefer a joint venture or a licensing deal with a Japanese partner. But on this occasion, it seems, Rank has been first off the mark.

HOME NEWS

Ban urged on group political donations

BY RUPERT CORNWELL

MR. DAVID STEEL, the Liberal leader, called last night for a ban on corporate donations to political parties: by companies to the Conservatives and by trade unions to Labour.

Mr. Steel's proposal, which would be a reform demanded by his party if it held the balance of power in the next Parliament, comes as controversy over the subject builds between the main parties.

Instead, the Liberal leader would like to see the American system of limited tax relief on individuals' donations to parties introduced into Britain.

Speaking in his constituency of Roxburgh, Selkirk and Peebles, Mr. Steel based his argument on the need to break away from "the continuing adversarial system of politics promoted by the confrontation of the Tory and Labour Parties."

Companies contributing to Tory funds were wasting their shareholders' money, if they helped the Conservatives back to power, Labour would move further to the Left and return to office, committed to even more Socialist policies.

Mr. Steel was equally critical of Labour Party financing where, by thousands of trade unionists who are not Labour voters find themselves contributing automatically through the political level. Contrasting-out facilities are not exactly encouraged.

Cabinet Ministers, including Mr. Denis Healey, the Chancellor, have attacked industry recently for its allegedly excessive aid to Conservative Central Office. Mr. Roy Hattersley, the Prices Secretary, accused the brewers of "impropriety" in their links with the Conservatives.

Mr. Merlyn Rees, Home Secretary, has suggested legislation to put donations to the Tory Party on the same public footing as union assistance for Labour.

Stamps offered to guests by hotel chain

By Our Consumer Affairs Correspondent

GREEN SHIELD trading stamps are to be offered for the first time on hotel bookings as part of the company's attempt to win back custom after the decision by most major supermarkets to stop giving stamps.

The 20-hotel Centre Hotels chain said yesterday that it was offering between one and four full books of Green Shield stamps to anyone booking a special winter weekend holiday.

WORKING BRITAIN

Alan Forrest raises his hat to Luton—still the family centre for headgear

Street "hat district" round the railway station and employs about 40 people (plus home workers) on premises that can be described only as ancient.

He makes fashion hats from shapes brought over from Paris and is a real worker-boss, at his table at 7.30 am cutting braid and felt when a deadline has to be met.

For although the fame of the town came through the straw boater, only one company still manufactures them. Luton's real business is women's hats. True, the labour force has shrunk to about 2,500, a mere fraction of the number employed at the town's Vauxhall motor plant, but this is still the centre of the hat industry.

Historians argue endlessly as to when hats first came to Luton. Records show that as early as 1681, straw hats were being made at Dunstable, which is Luton. Certainly, the industry flourished during the Napoleonic Wars, when plant was bought from French prisoners at Yoxley Barracks. That led to hot disputes with local planters and eventually soldiers marched into the barracks and burned the prisoners' straw.

But in the years after the war

State and bank join to aid businesses

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

A £250,000 joint venture to assist small business in the north-east of England was launched yesterday by the National Enterprise Board and Midland Bank. The venture will be known as the Northern Enterprise Board.

Mr. Gerald Connolly, northern director of the Board, said in Newcastle: "The kind of client we hope to attract is the small businessman who has come to the limit of his borrowing and wants to finance the second stage of expansion."

Mr. Barry Smith, the bank's northern region director, said that the Midland was anxious to recognise the needs for equity capital among small businesses and to meet this need more than it had in the past.

Finance for Newtown Securities will be made available through loans ranging from £5,000 to £25,000, probably unsecured, and Newtown will largely use the Midland's facilities and staff to process applications.

Newtown will consider applications from any source, but if a loan is granted one condition will be that Midland will handle the whole of the company's banking business. Newtown will also seek to write an equity option into any loan.

Mr. Smith will be chairman of Newtown Securities, which is expected to start operations on September 1 and Mr. Connolly will be a member of the board. The bank and the Enterprise Board will appoint one more member each.

Mr. Connolly said that the board had found there were difficulties of cost effectiveness associated with loans of less than £100,000, and he said that the scheme was experimental. Unless it became commercially viable it would not be continued.

The number of loans that Newtown can make will obviously be limited. If the average is £10,000 each, then the limit will be 25 and this will be seen by critics of the board as doing too

little rather than too much for a part of the country badly affected by the rundown of the economy.

Mr. Connolly defended this commitment by emphasising the experimental nature of the scheme and promising that if successful there was every possibility of extending it.

Mr. Smith said that the bank had found difficulty when considering the needs of small firms of making a large number of investments cost effective.

"This is where our liaison with the board is so important. They have complementary interests to our own and have developed great expertise in investment analysis."

"Through our discussions we came to see that a joint venture would allow us to undertake the essential supervision through the bank's structure without creating a top-heavy and very expensive organisation."

"We hope the scheme will fill a gap in the market and be of genuine assistance in helping to stimulate growth."

Offshore diving system tested

BY KEVIN DONE, ENERGY CORRESPONDENT

VICKERS HAS begun deep-sea trials of a diving system, which claims to give technicians working access to underwater oil and gas installations at normal atmospheric pressure.

The trials follow two years of development sponsored by nine organisations in the UK, Norway and the U.S. all with major interests in the offshore oil and gas industries.

Vickers said yesterday that the system permits underwater trials to be installed and maintained within a steel chamber in which the pressure is reduced to normal atmospheric levels.

It should provide a safer working environment and offer a considerable reduction in costs.

The trials are being carried out in two phases in the Kyle of Lochalsh off the west coast of Scotland. Initial tests in 80 feet of water will be followed by deeper trials at depths of about 400 feet.

The sponsors of the development programme are British Petroleum, British Gas, the British National Oil Corporation, Amoco, Norsk Hydro, Saga Petroleum, GEC Marconi and the Department of Energy.

The cut-price petrol war has badly affected country garages and as many as 2,500 may be forced out of business if fierce competition continues.

Shops 'doomed'

Villagers have also seen a gradual drift of their country doctors to towns or villages in the past ten years—in one case the loss was 35 per cent. It is becoming increasingly common for doctors to join group practices and health centres, and new doctors setting up a rural practice are hampered by Health Department restrictions.

Village shops seem "doomed," the report claims. In the five years to 1977, 13 per cent of the 800 shutdowns recorded in rural England since the Plowden Report was published in 1967—

and as many as 1,000 may be under sentence of closure today for financial rather than educational reasons, according to the report.

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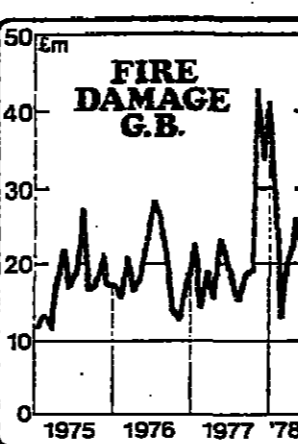
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July fire damage costs £22.1m

By Eric Short



A FIRE at an electrical warehouse in the North-West, causing damage estimated at £6.4m, was a prime factor in putting UK fire damage last month at more than £20m.

Figures issued yesterday by the British Insurance Association gave the estimated cost of fire damage in Great Britain last month at £22.1m—the third successive month in which damage has exceeded £20m. Although this value was £5.8m lower than in June, it was over £1m higher than in July last year.

Fire damage costs so far this year at £168.5m, are 27.5 per cent higher than in the corresponding period of last year.

A fire last month at a school in the North-East cost £1m and seven other fires caused damage in each case of at least £250,000.

In a further 57 fires individual damage amounted to more than £35,000, including 25 in places used by the public such as cinemas, schools, shops, social clubs and theatres.

Recreation will cost councils £450m

By Paul Taylor

LOCAL authorities in England and Wales plan to spend more than £450m on leisure and recreation services in the present financial year.

Details of local government expenditure for 1978/79 in this sector were published yesterday by the Chartered Institute of Public Finance and Accountancy.

The figures are based on the budgets of about 95 per cent (429) of the 456 local authorities in England and Wales.

The survey covers a breakdown of leisure and recreational expenditure on indoor and outdoor swimming pools, leisure centres and sports halls, community centres, outdoor sports facilities, golf courses and allotments as well as cultural facilities such as theatres, art galleries, museums, musical concerts and art promotions.

Direct comparisons with previous estimates are not possible because of different levels of response from local authorities to the institute questionnaires.

In 1977/78 the 408 local authorities which replied to the questionnaire planned to spend £373m on leisure and recreation facilities.

Latest figures do, however, show some interesting comparisons between local authorities, and between forms of leisure and recreation expenditure.

It is clear, for example, that local authorities intend spending only about 10 per cent of their leisure and recreational budgets on cultural facilities during the present financial year.

The figures also show that in general the Greater London Council and the London Boroughs spend almost twice as much per head of population on leisure and recreation as do the shire authorities, with metropolitan authorities holding the middle ground.

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Incomes policy ignored in ICI pay rise offer

BY NICK GARNETT, LABOUR STAFF

IMPERIAL CHEMICAL INDUSTRIES has offered its manual workers substantial pay rises, "leaving incomes policy considerations aside," only weeks after agreeing a Phase Three settlement.

The move is an attempt to sort out staffing shortages among a particular section of highly-skilled employees.

Workers in the top specialist and technical grade have been offered a 17-20 per cent rise and those in the grade immediately below an increase of 15.

All the manual workers, including these two grades, have also been offered consolidation of £6.60 pay policy supplements which will boost shift premiums and overtime pay.

The company said yesterday that the offer was designed to meet a specific problem and was separate from the yearly wage settlement.

In issuing the proposals to the signatory unions, ICI said that it had to take an initiative "which could help a solution in the interests of everyone in the company, leaving incomes policy considerations aside because the outlook there could not be certain in present circumstances."

The unions are due to meet the company on September 7 to discuss the proposals. At that meeting, said the company, "incomes policy factors" would be discussed.

Local reaction to the proposals from the Transport and General Workers Union, which represents workers in the lower grades, appears so far to be hostile.

The company is facing a chronic shortage of instrument artificers who look after control room instrumentation. Craft unions have been reluctant to operate in a programme to retrain fitters and other skilled men to be artificers until the company improves pay differentials for manual workers in the top skilled grades.

The company specified that any new proposals had to be agreed by all the company's signatory unions in order to keep the basic structure of the national pay agreement intact.

That was the principal reason why workers in lower grades not directly related to the artificers shortage have also been offered improvements in shift and overtime earnings.

In return for the rises, the company said that it wanted "full co-operation" from the unions in trying to remedy the artificers shortage.

Mr. John Grime, secretary of the ICI shop stewards combine, said that it was not clear how the company would justify the increases under pay policy.

The company had refused to consolidate the £6.60 (made up of the Phase One supplement and the 10 per cent) in the last settlement because it would have taken it above pay guidelines.

Transport Workers' shop stewards at some ICI sites, including Wilton, Teesside, where the shortage is acute, have already rejected the offer as providing too small an increase for people in the lower grades.

British Airways 'back on schedule'

BY LYNTON McLAINE

BRITISH AIRWAYS flights from Manchester and Heathrow airports are expected to return to normal today after a 24-hour strike by maintenance engineers.

The airline said that all short- and long-haul flights would be back on schedule and running in Manchester airport was hit by the strike.

Expected to finish their industrial action over a pay parity claim, the engineers are seeking parity with British Caledonian workers at Gatwick for working on wide-bodied jets.

At Heathrow airport, the impact of the industrial action was particularly felt by passengers, with many unable to leave their seats.

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SU Fuel toolroom strikers face expulsion

By Peter Cartwright and Alan Pike

AN ALL-OUT fight between 33 toolroom strikers at the SU Fuel Systems factory in Birmingham of BL (formerly British Leyland) and the strikers' own union can be expected after a decision by the union to ignore an Amalgamated Union of Engineering Workers' executive call to an emergency meeting today.

The toolroom strike leader, Mr. George Regan, said that the men had reached their decision "in the full knowledge that it could lead to expulsion from the union and loss of jobs."

The AUEW executive has instructed the strikers to attend an emergency meeting of the union's East Birmingham district committee this afternoon at which Mr. Terry Duffy, president-elect, will be present.

They reached their decision not to attend by 19 votes to 2 yesterday, with the remaining strikers absent.

At the weekend, the strikers, defying a union instruction to return to work, boycotted another district committee meeting and most are being fined the maximum of £9 as a result.

If they go ahead with their plan not to attend today's meeting, demands from district committee members for their expulsion seem certain.

Unofficial

The AUEW executive has said that it will give immediate consideration to "endorsing any further steps the district committee takes" to safeguard jobs. Other AUEW members at the SU factory have agreed to help overcome the effects of the three-week-long strike.

However, the strikers have the support of the unofficial Leyland toolroom committee and there is the danger that the dispute will explode into a much more serious confrontation.

Other Leyland toolmakers in Birmingham and Oxford have contributed £600 during the first week of a 50p levy to support the strikers with more money still to come in.

The SU strikers are demanding parity with toolroom workers at BL's Rover plant in Solihull who earn more than 56 per week more. They say they will attend meetings only if a pay offer is on the table.

However, the AUEW says that it is satisfied with the move which Leyland is making towards the goal of pay parity by November next year, and that the action of the strikers risks jeopardising these.

Shop stewards who are leading the strike, now in its third week, which has crippled BL's Bathgate truck and tractor plant have been called to a similar AUEW district committee meeting today.

They are also defying an executive instruction to end their strike over a demand for extra payments for operating new machine tools.

BL is also affected by a third strike, involving Transport and General Workers Union members, at its Llanelli radiator plant.

Production of Massey Ferguson tractors was halted in Coventry yesterday by a strike of 200 toolsetters and change hands protesting over a change in working arrangements and allocation of jobs.

Solution sought from Tube men

By Our Labour Staff

UNION LEADERS of London Transport underground workers who are threatening a series of one-day strikes from two weeks today have been asked to suggest their own solution to a dispute over an economics programme.

London Transport said last night that a meeting between representatives of station staff in the National Union of Railwaymen and management had been adjourned for another week.

In the meantime, the union side had been asked "to consider what other economies can be made other than restricting overtime."

Mr. Albert Spanwick, secretary of the Whitley Council, professional and technical staff side, and general secretary of the Federation of Health Service Employees, said yesterday that action could intensify if there were any attempt to discipline members for working a 37-hour week or to cut their pay.

Agreement had been reached to introduce the shorter working week last March and the unions were determined that this agreement should be honoured.

The unions claim a reduction in the working week would be in line with that agreed for administrative and clerical staff in hospitals and that it was long overdue. They say that with improved efficiency the cost would be low and it would create extra jobs to help solve the unemployment problem rather than add to overtime earnings.

Staff involved, including laboratory scientific officers, hospital engineers and works mechanics, mortuaries and medical units involved that its introduction now would be in breach of Government pay policy.

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SU Fuel toolroom strikers face expulsion

By Peter Cartwright and Alan Pike

AN ALL-OUT fight between 33 toolroom strikers at the SU Fuel Systems factory in Birmingham of BL (formerly British Leyland) and the strikers' own union can be expected after a decision by the union to ignore an Amalgamated Union of Engineering Workers' executive call to an emergency meeting today.

The toolroom strike leader, Mr. George Regan, said that the men had reached their decision "in the full knowledge that it could lead to expulsion from the union and loss of jobs."

The AUEW executive has instructed the strikers to attend an emergency meeting of the union's East Birmingham district committee this afternoon at which Mr. Terry Duffy, president-elect, will be present.

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A division of one of Britain's most successful major engineering groups, our client has a turnover of £25 million. A recent group restructure is reflected in increasing profitability. Applicants should be qualified accountants, probably aged 30-35, with manufacturing and staff management experience. Please telephone or write to Stephen Boney, B.Com., ACA, quoting reference 1735.

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Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

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Please send full career details and list separately companies to which we should not forward your reply. Write the reference number on the envelope and post to our London office, 30 Farringdon Street, London EC4A 4EA.

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PETER MORGAN,
Group Financial Controller,
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The ideal candidate is a qualified accountant, early 30s with at least five years' experience in industry or commerce and well versed in management accounting techniques. The position reports directly to the chief executive of the group.

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Replies, with curriculum vitae, to:-

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78, Wimpole Street,
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Reference CS4.

PUBLIC ENTERPRISE: RESEARCH/CONSULTING

An entrepreneurial economist with practical experience relevant to studies of public enterprise in an international context is required to join a small growing unit of a major consulting group. He or she will be interested in helping to build upon a series of studies for international institutions and government bodies extending the scope of the research through assignments and work on a regular publication. The unit also undertakes assignments in manpower and employment policy. The successful candidate will be interested and capable of taking commercial as well as professional responsibility and be concerned with the further development of the practice—both in terms of the utility of the work undertaken and of personal reward.

The conditions of employment are attractive. Salary will be negotiable depending upon ability and experience. For further details telephone or write to: William Keyser or Tim Sharp at METRA OXFORD CONSULTING, Kennington Road, Kennington, Oxford OX1 5PZ (Tel: Oxford 730701)

member of a professional society and, preferably, will have gained a post graduate qualification such as an MBA.

The successful applicant will spend approximately six months in London before taking up this appointment in mid 1979.

An excellent salary together with other major fringe benefits including free accommodation, 6 weeks annual home leave with fares paid and a non-contributory pension will be provided.

Please write with full career details as soon as possible to:

INVESTMENT MANAGER

Fidelity Management are seeking an experienced Investment Manager for its London Office. An opportunity arises for a man or woman who has had several years' solid experience of managing internationally diversified portfolios on behalf of institutions. Specific responsibilities will include coverage of the major Continental European markets with special emphasis upon equities. This is an opportunity to join a major investment management firm at an exciting time in the development of its international business. An attractive compensation package to include salary, bonus, pension and other fringes is wide open to negotiation.

Applications, which will be treated with the strictest confidence, should be submitted to:-

Jim Tonner,
Fidelity Management & Research (U.K.) Ltd.,
64 Cannon Street, London, E.C.4.
(Tel: 01-248 4891.)



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INVESTMENT ANALYSTS

Vacancies for investment analysts have arisen in our established Research Department in the following areas of specialist sector coverage:-

INVESTMENT TRUSTS COMPOSITE INSURANCE

Experience in the respective industries or as an analyst covering the financial sector would be suitable but we are willing to consider persons with a more general background in investment analysis.

In addition to a fully competitive salary the firm operates profit related bonus, contributory pension scheme and luncheon vouchers.

Location will be with the existing Research Department in Edinburgh.

For further information write or telephone for an application form to:-

Mrs. A. G. Fisher, Personnel Administrator,
Wood, Mackenzie & Co., Erskine House, 68-73 Queen Street,
Edinburgh, EH2 4NS.
Tel: 031-226-4141

GENERAL MANAGER FOR SAUDI INVESTMENT COMPANY

Basic compensation U.S.\$50,000 p.a. tax-free, plus usual other benefits

Incorporated earlier this year by prominent Saudi businessmen and investors, the company seeks an experienced banker to develop its potential. The company will collaborate closely with an international bank in which it is a shareholder. The General Manager will be fully responsible for the development of all activities, including:

- financial and investment advice;
- identification and development of viable projects in the private sector;
- marketing and promotion of sound financing proposals.

The ideal candidate would be in the 30-45 age group, resourceful and marketing-oriented. In addition to a sound knowledge of banking operations, experience in international banking is essential. Previous residence in Arab countries is desirable but not essential. The candidate's interpersonal skills will be decisive.

All applications will be treated in strict confidence and should be addressed to:

Box A.6447, Financial Times, 10, Cannon Street, EC4P 4BY.

COMMERCIAL LAWYER

A successful and expanding London-based International Merchant Bank requires a Commercial Lawyer to head its Legal Department.

This is a Senior Executive appointment which will suit a lawyer with imagination and a flair for commerce. The successful applicant will have a professional background and a thorough understanding of mergers, acquisitions and corporate reorganisations, Stock Exchange and Exchange Control regulations, general company and banking law and corporate lending. Some tax and/or shipping experience would be an advantage.

The appointee's primary responsibilities will be to advise the bank's Corporate Services department and to help structure deals and transactions. He or she will also be required to recruit a legal assistant for drafting and litigation work.

This appointment offers an exciting opportunity for the right person, with generous salary and a comprehensive range of benefits.

Please reply, in confidence, to Box A.6448, Financial Times, 10, Cannon Street, EC4P 4BY.

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For Farmers Services Company. To be responsible for budget preparation; stores management control; company borrowing and investment policies; maintaining relations with external financial agencies; preparing company financial statistical and analysis reports, accounting procedures, cost accounting and cost retrieval system. Applicants should be qualified Chartered Accountants with at least 10 years successful experience in commercial organisation (experience in retail distribution company also important). They should be able to demonstrate proven ability to establish, operate and maintain company accounting and management systems, and also to be good administrators. Age over 35.

Appointment 3 years. Salary to be arranged plus variable tax free overseas allowance in range £3,030-£6,490 p.a. (Ref. 328 D).

The post is wholly financed by the British Government under Britain's programme of aid to the developing countries. In addition to basic salary and overseas allowances other benefits normally include paid leave, free family passages, children's education allowances and holiday visits, free accommodation and medical attention. Applicants should be citizens of the United Kingdom.

For full details and application form please apply, quoting reference stating post concerned, and giving details of age, qualification and experience to:-



Appointments Officer,
MINISTRY OF OVERSEAS DEVELOPMENT,
Room 301, Eland House,
Stag Place, London SW1E 5DH.

HELPING NATIONS HELP THEMSELVES

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As a result of promotion an opening has occurred for an experienced Clearing Banker, ideally aged in his/her 30's with sound background of accounting procedures.

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Our client based in the West End, has a very impressive growth record in the U.K. and therefore this position will only be of interest to those who enjoy hard work, responsibility and seek a rewarding career.

In the first instance please write or telephone Yvonne Emmerson-Fish, Ref. 1338.

Lloyd Chapman Associates

125, New Bond Street, London W1Y 0HR 01-499 7761

GROUP COMPANY SECRETARY (DESIGNATE)

Trident Television Limited, parent company of Yorkshire Television, Tyne Tees Television and other companies mostly in the leisure industry, require a Group Company Secretary Designate to operate from their London headquarters.

The successful candidate will be around the middle thirties with a University degree and a professional qualification, preferably in law.

Salary and other conditions of service by negotiation. Applications (with full curriculum vitae) to:

Alan Loughton Davis, Trident Television Limited,
Trident House, Brooks Mews, London W1Y 2PN.

Trident Television Limited

ROYAL NATIONAL INSTITUTE FOR THE BLIND Chief Accountant

Our Chief Accountant is retiring and we invite applications from professionally qualified accountants (male or female), preferably chartered, aged 30-45, with some years of professional, commercial or charitable experience, for this very important post.

A practical knowledge of modern accounting methods and techniques together with the capacity for leadership and control of a staff of 24 is essential. Salary negotiable with excellent future prospects. Good pension scheme with transferability.

Applications, marked "Private and Confidential—Chief Accountant" should give full curriculum vitae together with details of present post and salary, and be sent to: The Finance Secretary, RNIB, 224 Great Portland Street, London W1N 6AA. Closing date 8th September 1978.

Candidates placed on short list for interview will be advised by the end of that month.

CORPORATE FINANCE

Standard Chartered Merchant Bank Limited, the United Kingdom merchant banking subsidiary of the world wide Standard Chartered Group, seeks to fill a position at Assistant Manager level which arises within its Corporate Finance Division.

Candidates should be Chartered Accountants and have some knowledge of corporate finance matters particularly in such areas as acquisitions, issues, and leasing. They would also be expected to have had at least two years post qualification experience in an appropriate field such as investigations, taxation, or stockbroking.

The position offers good remuneration and career prospects and possible opportunity to work overseas in future. Applications including a curriculum vitae should be submitted to The Personnel Manager, Standard Chartered Merchant Bank Limited, 33-36 Gracechurch Street, London EC3V 0AX.

INVESTMENT ANALYST

A leading firm of London stockbrokers wishes to expand its existing research coverage and seeks a further senior analyst to concentrate on the publishing, printing and paper sectors. The successful candidate must essentially have had several years' previous analytical experience and welcome an opportunity to develop a sector specialisation whilst working in close collaboration with our sales team.

He or she will be expected to maintain extensive contacts within the industries concerned and among financial institutions and will be given considerable freedom to exercise initiative. A competitive salary and incentive scheme participation will be paid and those who can meet our requirements should write, giving full details of experience, in confidence, to Box A.6450, Financial Times, 10, Cannon Street, EC4P 4BY.

FINANCIAL TIMES New Business Development Group

A vacancy exists in the Advertising Department of the Financial Times within the New Business Development Group.

We are looking for someone who is interested in company communications, and who has a knowledge of economic affairs and the industrial scene.

A large part of the applicants time will be spent visiting companies at a senior level and discussing their activities and marketing policies. The job therefore requires an aptitude to identify and research the problems of an industry or company and present a reasoned case for improving communication lines with the use of advertising. Whilst experience in advertising is not absolutely necessary, any applicant should be familiar with the marketing scene or have undertaken written appraisals of companies in the past. Salary negotiable.

Applicants should write to Anthony Wreford at the Financial Times or ring him on 01-248 8000

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

GILT EDGED

Provincial Stockbrokers with facilities in London are looking for somebody with considerable experience in and a thorough knowledge of the Gilt Market.

The successful candidate will be responsible for creating and subsequently running a Gilt Edged operation to the highest professional standards.

A realistic budget will be allocated and the person chosen will be given a substantial degree of autonomy in selecting and building up the team.

The firm already has strong institutional connections—mainly with an equity bias—and advises a number of Pension Funds on a country-wide basis.

Write Box A.6451, Financial Times, 10, Cannon Street, EC4P 4BY.

JUNIOR EUROBOND DEALER

An international investment bank located in Mayfair area seeks a junior dealer with 6-12 months experience to operate in the field of Japanese convertible bonds. A knowledge of schweizer-deutsch will be an advantage. The salary envisaged will be around pds stg. 5,000 per annum, plus free buffet luncheon. Applications in writing to: Box A.6449, Financial Times, 10, Cannon Street, EC4P 4BY.

TILNEY & CO., Stockbrokers Require a PERSONAL ASSISTANT to a Partner in their Liverpool Office

The successful applicant will join the Research/Institutional department and will be involved in the study of company accounts and other financial and economic information, and will have ample scope for formulating opinions on market situations. Prospects for advancement are good. Previous experience would be highly valued but the post may well suit a recently qualified or partly qualified banker or accountant, or a graduate with a financial degree.

The salary will depend on previous experience and ability but will be competitive. The firm has a non-contributory pension scheme.

Application in writing to:
J. Murphy, Manager,
TILNEY & CO., 385, Sefton House,
Exchange Buildings, Liverpool, L2 3RT

BANKING RECRUITMENT £10,000 - £15,000

At least 35% of billings, a realistic advertising budget, your own comfortable office in a prime central location and a relatively free hand from an understanding working director. All this for an acknowledged expert with proven Banking experience and contacts. You may telephone David White on 01-405 5323 or write to him at:

DAVID WHITE ASSOCIATES LTD,
84, KINGSWAY, LONDON, W.C.2

The Marketing Scene

CONSUMER ADVERTISING

The rise of the big retailers

BY MICHAEL WATERSON

ONE OF the most pronounced trends shown by the advertising expenditure statistics over the last decade has been the relative decline in manufacturers' consumer advertising and the apparently connected rise in advertising by retailers. The recent publication by the Advertising Association of the detailed 1977 statistics allows a reassessment of this situation, felt by many denizens of the advertising world to have reached a critical stage.

Whatever the rights and wrongs of the various arguments advanced for the "crisis in branding," it is clear that MCA expenditure has hardly constituted one of the fastest growing elements in the economy.

Indeed, as a percentage of GNP it has fallen rapidly since 1968, despite something of a recovery over the last two years.

In 1968, MCA advertising was the equivalent of 0.83 per cent of GNP; by 1973 it had fallen to 0.41 per cent, although last year it recovered somewhat to 0.50 per cent.

Looked at another way, as a percentage of total advertising expenditure, the same broad picture of decline emerges—from 47.5 per cent of total advertising expenditure in 1968 to 40.9 per cent last year. In both sets of figures the cyclical nature of MCA expenditure is apparent.

The widely-held view that this fall in expenditure has been reflected by the growth in market power and advertising expenditure of the major retailers appears to be confirmed by the AA figures in the table.

Retail advertising has grown much more rapidly since 1970 than any other AA category of expenditure. Although the AA figures are rather imperfect estimates of retail expenditure,

ESTIMATED MEDIA EXPENDITURE BY PRODUCT GROUP, 1969-77

PRODUCT GROUP	£m MANUFACTURERS' CONSUMER ADVERTISING										REMAINDER									
	1970	1971	1972	1973	1974	1975	1976	1977	1970-1971	1972-1973	1974-1975	1976-1977	1970-1971	1972-1973	1974-1975	1976-1977	1970-1971	1972-1973	1974-1975	1976-1977
Food	42	70	82	88	81	89	112	144	—	—	—	—	—	—	—	—	—	—	—	—
Clothing	13	12	13	12	10	12	15	18	—	—	—	—	—	—	—	—	—	—	—	—
Auto	19	18	23	29	23	33	43	56	—	—	—	—	—	—	—	—	—	—	—	—
Drink & tobacco	46	50	55	64	65	73	97	111	—	—	—	—	—	—	—	—	—	—	—	—
Toiletries & medical	32	35	39	48	50	53	66	77	—	—	—	—	—	—	—	—	—	—	—	—
Household & leisure	54	59	68	84	79	87	113	150	—	—	—	—	—	—	—	—	—	—	—	—
Publishing, books	6	8	10	14	13	16	21	23	—	—	—	—	—	—	—	—	—	—	—	—
Tourism, entertainment, foreign	18	19	21	24	26	27	31	36	—	—	—	—	—	—	—	—	—	—	—	—
Nationalised industries	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Government	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Retail	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Savings, financial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Industrial	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Classified	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
TOTALS	250	271	311	362	348	387	493	613	304	320	397	512	580	695	856	—	—	—	—	—

Source: Advertising Association

since they include the residual of local advertising expenditure not identifiable as belonging to other sectors, it is thought that the growth shown is a reasonable reflection of reality.

It is interesting to note that those products not sold in large quantities through the retail chains, and therefore least likely to be influenced by the growth of retail advertising (automotive, savings and publishing) have indeed maintained faster growth of advertising expenditure than manufacturers' products sold mainly through the large retailers such as food, clothing, toiletries, cosmetics and drink and tobacco.

The correlation could hardly be called exact, and does, of course, differ depending on which years are chosen for comparison, but it does provide circumstantial evidence to support the theory that retail advertising has to some extent replaced direct product or brand advertising.

Having reached this general conclusion, however, a detailed examination of the most recent data leads to a less certain appraisal of what the future may hold in store. For example, in 1977 retail advertising expenditure grew less rapidly than seven other product categories—household and leisure, publishing, automotive, savings, food and classified—all experienced faster growth. A similar situation arose in 1976. It is apparent that the great gains made by retailer advertising took place before 1975, and a much more static picture emerges after that date.

What, then, of the future, for most data can be interpreted in a variety of ways? There are, perhaps, two main interpretations which can be put upon the trends in MCA and retail advertising expenditures over the past decade.

First, it is entirely possible that the last two years of relative resurgence in MCA expenditure

simply demonstrate the greater cyclical nature of MCA as against the more well-established six-yearly growth of retail advertising, the latter being more a reflection of the fundamentally changing pattern of retailing than a response to current economic or market conditions.

Alternatively, one might suppose that although considerable changes have taken place in methods of retailing in recent years—in many cases necessitating greater advertising expenditure—the scale of retail advertising was so small 10 years ago that very rapid advances in advertising expenditure were almost to be expected. Given that many big retailers now outstrip all but the very largest manufacturers, it may well be possible that the great expansion of retail advertising is over.

There is probably some truth in both views. However, much obviously depends on the view taken of what has happened to retailing over the last decade.

Over almost all categories of retailing, very profound changes have taken place, of which the trend to smaller numbers of larger outlets is probably the most significant.

Retailers such as Asda, Boots, Comet, W. H. Smith and Allied Carpets, to name but a few, have either appeared on the streets from nowhere or have radically changed in terms of shop size and appearance over the last few years.

One almost universal need of the new style retailer has been to advertise—to tell customers of the advantages of the big "branded" shop as opposed to the smaller independent retailer selling similar goods. Expert opinion seems to favour the idea that this retail revolution is by no means finished.

Superstores, hypermarkets and giant shopping centres all continue to increase in number, despite problems in getting advertising space. The major chains are in many cases only part way through rationalising their stores in terms of size and placement, so that there seems every reason to expect continuing growth not only of bigger retail units but of more professionally managed units, and there is thus every chance that the use of marketing techniques—including advertising—will continue to grow.

In conclusion, therefore, it is probable that the fundamental changes taking place in the world of retailing may lead to a continuing increase in advertising expenditure by retailers. On the other hand, no such important structural changes are likely in the manufacturing sector, and there seems no reason to suppose that MCA expenditure will do other than continue its cyclical course, buffeted as always by the economic tides that are unlikely to cease arriving every three or four years.



IN his latest commercial for Sekonda watches Ron Miller finds himself shipwrecked on a South Sea island. His rescuer (Ronnie Barker) gets to meet this pretty girl's sister as a swap for his watch—would you believe the sister is also played by Ronnie Barker? Global Watches is putting £500,000 worth

of TV advertising behind the watches which are said to be the UK's number two brand. There is to be an early burst at the end of the month in Granada and 'Trident' areas but the main thrust of the national campaign will be in late November and December. Alders and Marchant is the agency.

Summer TV in fashion

THERE IS a quick and convenient explanation for the ITV companies' remarkable 37 per cent increase in advertising revenue in July—it is money held back by advertisers from the June-dominated World Cup when the commercial channel was expected to take a clobbering from the BBC coverage of the matches. It is less easy to justify the very good August for ITV which could produce an even larger, 40 per cent, rise in income over the equivalent month in 1977.

Obviously the end of the television advertising boom, which seemed to be imminent in the late spring, has not happened yet.

It is very unlikely that similar sized increases will persist into the peak autumn months, but even so 1978 is on course to prove another very good year for ITV, perhaps with a 20 per cent gain on the £351m brought in during 1977. This would make it one of the longest booms in advertising history, fuelled, at least in part, by the fact that

the size of the supply is limited to six advertising minutes an hour and Government restrictions prevent the ITV companies raising prices to meet demand.

What has basically happened is that the old packaged goods advertisers have returned in force to television, partly because yet more Government restraints—on dividends and wage rises—have left them with plenty of cash, while the new advertisers are persisting with the medium.

But by itself this will not explain away the exceptional demand in July and August. Harold Lind of AGR is convinced that what is happening is a swing by advertisers away from the expensive peaks in the spring and autumn to the early months of the year and the summer. Advertisers are pushing back campaigns from the late spring, or moving them forward from the autumn, because they know they can get time in the summer and perhaps more cheaply, too. But all

the indications are that advertisers will have to look soon to be sure of spots in the autumn. Ron Miller of London Weekend says that already 70 per cent of available time is being negotiated, the response of advertisers to the much stronger ITV Saturday night programmes announced last week.

At least those advertisers that do set on will not have to pay much more for their time. ATV, Trident and Thames have revised their rate cards in a minor way which should raise revenue but will not increase significantly. For 1979, if the Government can maintain business confidence by checking wage increases, television advertising will have another good year, but with a smaller rise in revenue than in 1978. As usual the rest of the advertising media will follow the cycle of television with a gap of a few months.

Antony Thorncroft

St. Ivel's golden spread

IT IS not butter and it is not margarine but St. Ivel Gold now on test by Unigate Foods is going great guns and may well move national shortly.

The "spreading blend" of butter, milk, butter and vegetable oils was first put into test in Westward and Southern TV as well. According to Graham March, Unigate marketing manager, the volume budget has been achieved even in the light of the problems that butter pricing produced. Butter subsidies

were introduced at the wrong time from Unigate Foods' point of view. But the subsidies are now being phased out and the price of butter is rising. Generally speaking margarine prices have remained fairly static.

All targets for Gold such as trial and repeat purchases have been met and exceeded. In the areas only one brand of margarine, Stork SR, now outsells Gold and the 45p per lb spread outsells all the butters with the exception of the three major brands. It has been established that 65 per cent of people who buy their first pound of Gold will go on buying it.

Apart from the butter pricing problem the main marketing difficulty has been to encourage people to make their first

purchase. "They have heard it all before," says Graham March referring to the old "You can't tell Stork from butter" theme. So to a sceptical public Unigate and its agency Brasse Massimi are simply saying that Gold tastes very much like butter and that it is cheaper.

The spread was developed in Sweden and Unigate has the licence to produce for the U.K. market. The company is looking for 3 per cent of the test area market for yellow fats. At retail prices yellow fats are a £500m market in the UK and Unigate is spending at a national equivalent of £1.2m on Gold. The only national brand getting a slightly bigger spend is Stork. It looks like a jaws war.

Pamela Judge

Why Watneys stays loyal

FEW MEN in the advertising industry can command the loyalty that clients show to David Abbott. His new agency, Abbott Mead Vickers was quick to benefit from the Elm Volvo business which followed the creative man when he quit FGA for a new challenge. Now another old client, Watneys, is putting business his way.

Watney Special, Watney Starlight and Watney Take Away are the brands which have left Ted Bates in the new outfit, and bring its billing to an annual rate of £5.5m. The other main accounts are Wells, Bowater Scott and Mathew Clark Dry Sack sherry.

COLLYER Daish Associates has accepted ITCA recognition and formed Collyer Daish Advertising. It has also resigned the Pacific International Enterprises account which failed £284,000 in 1977 because it is unprofitable.

Updating the study of Middle East media

AS a result of the good response by advertisers and publishers to the 1977 McCann Middle East Media Study, and the need for further reliable information on Middle East markets, Intercom McCann—the overseas division of McCann-Erickson Advertising Limited—London—has launched MMEMS 79.

Like the 1977 McCann Middle East Media Study—which marked a milestone in Middle East research by providing the first impartial multi-market media study—the purpose of MMEMS 79 is to provide reliable media exposure data for advertiser and media owner.

It is proposed to increase the scope of MMEMS 79 to cover 10 markets and conduct separate surveys of "Decision Makers" and the "General Public" in: Kuwait, Bahrain and Qatar, United Arab Emirates and Oman, Saudi Arabia, Egypt, Iran, Lebanon, Sudan, Jordan and Yemen Arab Republic.

Decision makers are a key element in marketing in the

Middle East. They will comprise senior executives in commerce and industry, senior personnel in financial institutions, senior officials in government departments and, for the first time, the professions (doctors and lawyers).

MMEMS 79 will include information on: The Press—average issue readership and readership frequency data for indigenous and international publications (including inflight media); TV—viewership frequency and exposure to TV stations covering each market in last week and yesterday; Radio—listenership frequency and exposure to local and foreign radio stations in last week and yesterday; and Cinema—frequency of cinema-going and last visit.

A Pilot Study will be conducted in September 1978 and fieldwork will be undertaken between January and March 1979. Reports and schedule evaluations will be available by 31st May, 1979.

A measure of good news for Britain's chemists

The full extent of last year's difficult trading conditions, and their impact on two key sectors of retailing, emerges in a major analysis of chemists' and off-licence sales in 1977 in the latest edition of the Nielsen Researcher. The survey also covers chemists' business in the first three months of 1978 and trends.

Chemists' turnover increased by £127m (15.2 per cent) to £862m last year against an increase of 21.9 per cent in 1976 and 20.2 per cent in 1975. (Retail prices generally last year rose by 15.8 per cent.) Both NHS business and over-the-counter sales gains last year show a considerable drop compared with 1976, e.g. a 22 per cent gain in NHS business against 33.8 per cent in 1976, and a 7 per cent counter sales rise in 1977 against a 10 per cent increase in 1976. (These figures do not include data for Boots.)

In the first four months of 1978, however, chemists' over-the-counter sales showed a gain of 14.6 per cent (in relation to a general retail price rise of 9 per cent) and with the continuing

expansion in NHS turnover, chemists' overall business up to April showed a healthy 21 per cent gain over the previous year. The average number of prescriptions dispensed in the first quarter of 1978 increased by 4 per cent.

Despite poor trading conditions, exacerbated by the poor summer last year, the take-home drinks trade in England and Wales increased by 12.2 per cent to £1,047m (as against a 15.1 per cent average price increase), with licensed grocers putting up a marginally better performance than specialists and increasing their share of the total from 40.7 per cent to 41.2 per cent.

Three important markets showed further growth last year—lager, aperitifs and vodka. Lager notched up an impressive 7.4 per cent increase in unit sales, helped by substantial advertising and a wide choice of brands. Aperitifs' unit sales were up by 6.3 per cent, mainly due to grocers where the gain was a significant 16 per cent, while vodka showed the strongest overall volume growth with an increase in 1977 of 11.5 per cent.

NEWS IN BRIEF

● BAYER UK, the subsidiary of the German chemical and pharmaceutical giant, has account for Burro's 3M, appointed Leo Burnett to handle its advertising. The company, which only recently set up a consumer products group, has already established two brands in the UK, Dettol Suncare range and Mafu, a household insecticide. They have been supported with £600,000 of advertising through Freeman Matthews and Milne and Lonsdale Osborne. New products are planned which

● LEO BURNETT has recruited Judith Salinson as head of outdoor media buying, an indication of how agencies are "taking posters more seriously."

● CHEVRON has appointed Contract Advertising to create and coordinate its advertising and promotions in six European markets.

● SLAZENGERS has appointed Humphreys Bull to handle its Puma sports footwear range. Puma is second to Adidas in the sports footwear market which is worth £10m, through specialist sports shops alone.

● TRADEFAK Foodbrokers has taken over the ethnic and specialist foods division of Allied International Food Services and aims to expand its distribution. The main range is Sea Isle brands of rice, lentils, dried peas and other pulses. Sea Isle claims to be the market leader in foodstuffs for the West Indian and other ethnic communities. Trade-fax expects sales of Sea Isle to top £2m in its first year, mainly due to better distribution through the leading supermarkets, and promotion of the brand. The aim is sales of £10m within five years.



PACKAGING is the overlooked key to successful marketing. Take Spillers Top Cat, for example, which has doubled its market share in the last three months, mainly because its appearance on the shelves has changed. New flavour formulations and competitive pricing, to say nothing of promotional support, may have helped towards the 125

per cent increase in sales since May. To build on the success Spillers is taking 2p off all large sizes of Top Cat from September 11. The varieties available are Chicken and Liver, Beef and Kidney and Salmon Flavour. "Twice as many people now buy Top Cat compared with the pre-launch period," says brand manager Mick Howey.

Ogilvy & Mather INTERNATIONAL INC.

Advertising

Half-year results 1978

Summary of unaudited results for the half-year ended 30 June 1978 with comparative figures for 1977.

	\$ 1978	\$ 1977
Gross income	83,572,000	68,724,000
Less operating and other expenses	70,931,000	58,363,000
Profit before tax	12,641,000	10,361,000
Taxation	7,588,000	6,031,000
Profit after tax	5,053,000	4,330,000
Earnings per share	\$2.58	\$2.28
Dividends per share	90 cents	70 cents

On June 20 it was announced that the quarterly dividend rate would be increased for the second half of the year to \$2 per annum. In addition, a 100% stock dividend will be paid in August 1978.

Tackling the American market? Then you should advertise in The Wall Street Journal. One of Europe's leading industrial concerns tells why.

KOCKUMS

"The Kockums Group is a Swedish-based industrial concern that operates in parts of the world, including the USA.

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Coliseum

The Seven Deadly Sins

by RONALD CRICHTON



Leonid Bronovoy

Edinburgh Festival—Lyceum

A Month in the Country

by B. A. YOUNG

Anatoli Efros believes that his characters must be adapted to the understanding of a new public that has never experienced a society such as existed on Arcady Islayev's estate. His production for the Moscow Drama Theatre in Malaya Bronnaya Theatre turns out to be a vivid portrait-gallery of individuals each in the best Stanislavsky tradition, but there is little indication of their relationships together. I imagine this may be intentional; I think we are intended to supply that element ourselves.

The play is given a non-representational set designed by Dmitry Krymov. There is a two-layered stage on a revolve, the two concentric layers of which, half-circles with ornamental metal rails at the circumference, can revolve independently. Efros uses them for emotional rather than scenic purposes—to whisk a barrier between characters, to provide a difference of elevation. On either side is a pretty toy carriage, of Turgenev's period, one of them containing a toy coachman. They are purely ornamental, and are used only as props, this being a company in which props—cigars, a kite—are much used. At the end, when the heart-broken Natalia Petrovna (Olga Yakovleva) has lost all her intimates, the whole set is dismantled before our eyes.

The playing is powerfully individualistic. Yakovleva—a very beautiful woman—establishes herself quickly as aristocratic and spoiled with a repertoire of beautifully-observed carelessness and a sequence of splendid dresses designed by Yekaterina Sokolskaya. It is natural that later, when she becomes the principal sufferer in this game of amorous snooker, her emotions will get the better of her; her long final scenes of despair, played in short, silent moves all over the stage, is excellently done, even though I believe it to be an over-indulgent piece of direction.

Mikhail Kozakov is a Byronic figure as Raskin, but without already aware of the powerful threat made by the student Belayev. He spends much time sating despondently at the floor. Whether intentionally or not, Oleg Dal's Belayev is physically the same type. At first he is a stiff and shy as a new boy at a boarding-school, given to standing at attention and mimicking as props, this being a company in which props—cigars, a kite—are much used. At the end, when the heart-broken Natalia Petrovna (Olga Yakovleva) has lost all her intimates, the whole set is dismantled before our eyes.

He is still a boy when he plays

with Verochka (his real charge, the boy Kolya, having been cut from a streamlined text). Verochka (Yelena Koreneva) is a very childish indeed for an already marriageable teenage girl, and though perhaps she overdoes it, her assumption of youth through the close reproduction of youthful movement is impressive. It made me think of Ulanova dancing Juliet at the age of 49.

A newcomer to the play might almost believe that Dr. Spigel-sky is the main character in it for Leonid Bronovoy's intimate comedy, often directed straight at the audience from downstage, magnifies him to a bigger scale than any of the others but Natalia Petrovna. Very enjoyable comedy it is too, like some Russian Donald Sinden; but this is the chief example of the play's jigsaw direction, and the piece fits only with difficulty into Turgenev's scene as one has always imagined it.

Natalia's husband and his mother, the old neighbor Bol-shintsov to whom Verochka is sacrificed and Natalia's companion Yelazveta, are themselves virtually reduced to props. Their playing is impeccable as far as it goes—this is clearly a very good acting company—but they are almost devoid of their functions as attention is focused on the principal characters of the drama.

The English National Opera celebrates 10 years at the Coliseum with a new production, not of a repertoire opera, but of Brecht and Weill's "The Seven Deadly Sins of the Ordinary People of the World". This was the last of their collaborations, the music being written in Paris where Weill had fled from Berlin; Balanchine choreographed it for the short-lived Ballets 1933 company with Lotte Lenya singing and Tilly Losch dancing the double role of Anna, the girl who gets on (driven by the "ordinary" place of the simultaneously) and rapacious family by suppressing her better instincts.

Lenya's 1958 recording won the score a new celebrity. Since then there have been a number of revivals, including two by Kenneth Macmillan, the first at Edinburgh and later Sadler's Wells, the second at Covent Garden.

There is good reason for ranking *The Sins* as a modern classic. The choice of a 20th-century work for the anniversary production does the ENO nothing but honour. Nevertheless, this particular score underlines rather than overcomes the defects of a theatre which has during the past decade, seen a long list of notable achievements. Almost everything that makes the Coliseum a good house for, say, Wagner, works against this exciting but intimate homely laid out for a modest orchestra and a handful of performers, a homely where the text, every word of it, must get home.

Now we are in the age of the opera producer, doubt if Balanchine needed one, or Béjart when he made his version. At the Coliseum Michael Geliot has staged the work in choreography by Richard Alston. Mr. Geliot has a number of Weill productions, and he is a good one at pleasure to see his individual probing, stripping-down style on

the London operatic stage again. Mr. Alston's choreography has a kind of discreet distinction. It makes points swiftly without obtruding (the pas de deux for Anna and the gigolo she loves in the current Schott vocal score) and has also adjusted the music to the male-voice family quartet, with Mother as the bass, which Brückner-Rüggeberg transposed down with the rest.

This removes some of the contrast Weill presumably intended between the girlish soprano line and the various nasty family sentiments expressed by much deeper voices, but it makes the music easier to sing and Terry Jenkins, Alan Woodrow, Alan Opie and Dennis Wicks (a formidable Mum-figure) are a great deal better than the German singers on the record. So is the orchestral playing, though the mastery way Weill returns to the melancholy music of the opening did not make its full effect on Tuesday and the biting quality of Weill's scoring was fuzed in this theatre—for example, the Brahmsian thrust and counter-thrust of "Cautious-ness".

The designs of Ralph Koltai and Nadine Baylis are bare, economical, aseptic. They have the cold, not quite sufficiently affirmative distinction of the production as a whole—Mr. Koltai can make a pair of girlders for sliding in placards look not merely functional but aesthetically pleasing. There is no mess or muddle. Presumably the period-lessness is deliberate. In one dance there is a hint of Lotte Fuller (when the work was written, pseudo-Fullers were still whirling round the French provinces), but any implication that Brecht's message remains universally valid may be regarded as dubious—it is true nowadays that "Powerful producers do not give plum parts to protesters". Mr. Geliot doesn't let us see the family's little

house in Louisiana being hands conclusively prove that assembled brick by brick as singers accustomed to the Anna's immortal earnings tackle Coliseum need have no difficulty in. We merely watch their words. Eric Shilling's clothes growing richer and Schiechi is less subtle and musical than Thomas Hemley's. The Sins, being a one-act, but not one syllable is lost, and shares the bill with a revival of his example is followed with Colin Graham's production of notable success by most of the Puccini's *Gianni Schicchi*, con-greedy Florentines whom ducted by Sir Charles Groves Schiechi defrauds (what an even- with an extrovert relish he hasn't one for greed and avarice). It always shown in this pit. There eluding notably Anne Collins, the Della Jones, Anne Conoley and cast. Both they and the old Harold Blackburn.



Julie Covington and Siobhan Davies

Albert Hall/Radio 3

Davidde penitente

by MAX LOPPERT

Mozart left his mighty C minor Mass unfinished, but not forgotten. In 1785, three years after its composition, he was asked to provide a second half for one of the Lenten concerts of the Vienna Society of Musicians (the same body that was to behave with such shameful tardiness about awarding him membership). He set about transforming the Mass into an oratorio. An Italian text (whose author remains unknown, although Da Ponte is usually the most frequently suggested candidate for the role) was fitted to most of the Mass movements; new arias were composed, one each for the first soprano, the first tenor, the first bass, and the tenor (Adamberger, the first Belmonte). Unlike the Mass, it is a complete work,

rounded off with an elaborate fugue. But it is a problematic work: Tuesday's Prom constituted a rare revival.

In the last century, Davidde penitente (Kaff) was highly esteemed. Vincent Novello called it "a complete Cantata, or rather Oratorio, for the former is too modest a title for so elevated, elaborate and masterly a work." In ours, it has not gained currency. Einstein complained that "this David is an extremely self-contradictory work, for Mozart would never have written his powerful music to such a gloomy text." Tuesday's performance inclined one to the position somewhere between both

views. The words, formulating nebulous expressions of piety and devotion which bear no specific relation to King David, are not strong; but they seem not seriously ill-suited to the musical contexts in which they are placed. On the other hand, the musical underlay of the words is consistently awkward—rare indeed to discover in Mozart (who prided himself, justly, on his linguistic capabilities) such a crop of mis-accrations and in-embases.

The impact the work as a whole makes is much like that made by the C minor Mass itself—powerful, various, and stylistically disparate. It is rare to encounter a performance of the earlier "Davidde" as Einstein put it, which so successfully embraces both the grand severity

of the choral movements and the phrased without distinction. From all three there was a good deal of snatched, snatched, or aspirated coloratura.

This time second half was a disappointment, all the greater for following two Beethoven performances filled with vitality. The Choral Fantasia is a work no less problematic than Mozart's oratorio (its text, also hastily cobbléd, was given in the programme, unlike that of Davidde penitente); but it was enthusiastically undertaken, and the result gave great pleasure. Much of this came from the ripe blend of finesse and rusticity with which the wind players shaped Beethoven's marvellous evocation of *Hammelmusik*. Most of all, the basic pulse was apt to wilt, or to trot mildly along, when firmness and vigour of spirit were the principal requirement. The orchestral playing was clear but lacking in energy, the choral singing too often hoarse and laboured; the sopranos in particular appeared to undertake expression of the opening phrase, "Alzai se flebil voci" with unhappy literalness. Of the three soloists, Ann Murray, in the second drama role, was the most consistent. Jennifer Smith undertook Cavalier's music with an admirable and determined musicianship that failed to hide her basic unsuitability for showy, wide-ranging vocal writing of this sort. In Adamberger's aria, Brian Burrows produced thin tones, and

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NOTICE TO SHAREHOLDERS

Profit statement and declaration of final dividend for the financial year ended 30th June, 1978

Audited profits for the year compare as follows with the corresponding figures in respect of the previous financial year:

	Year ended 30.6.78	Year ended 30.6.77
Rhodesian Dollars	1 518 200	1 461 200
Taxation	580 700	634 500
After-Tax Profit	937 500	826 400

Notice is hereby given that a final dividend (No. 25) in respect of the financial year ended 30th June, 1978, of 18 cents per Ordinary Share making a total for the year of 24 cents (year ended 30th June, 1977, 24 cents) has been declared by the Directors payable to shareholders registered in the books of the Company at the close of business on 8th September, 1978. The dividend will be paid on or about 20th October, 1978.

The transfer books and Register of Members will be closed from 9th September, 1978, to 22nd September, 1978, both dates inclusive.

The dividend is subject to non-resident shareholders' tax of 20 per cent in the case of shareholders whose addresses in the share register are outside Rhodesia.

By Order of the Board,

O. Aamodt Secretary.

Lytton Road, Workington, Salford, 17th August, 1978.

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Record Review

Mixed views on Handel

by NICHOLAS KENYON

Handel: *Acis and Galatea*, Jill Gomez (Galatea), Robert Tear (Acis), Philip Langridge (Damon), Benjamin Luxon (Polyphemus), Jennifer Smith (Wynford Evans), Margaret Cable, Paul Esswood, Wynford Evans, The Academy of St. Martin-in-the-Fields, Neville Marriner. Argo ZRG 886-7 (2 records)

Handel: *Acis and Galatea*, Norma Burrows (Galatea), Martin Hill (Damon), Willard White (Polyphemus), Paul Elliott, English Baroque Soloists/John Eliot Gardiner. Archiv Produktion 2708 038 (2 records)

"My Dear Lord, Since my Last I have been at Canons with E. Prince... he has a Chorus of his own. The music is made for himself and sung by his own servants, besides which there is a little opera now a making for his diversion... The Pope and Gay, the music to be composed by Handel, it is as good as finished." Thus Sir David Dalrymple, writing on May 27, 1718, and referring without doubt to Handel's *Acis and Galatea* which was written for James Brydges (Earl of Caermarvon and later Duke of Chandos) for performance at his residence, Canons, near Edgware.

This letter was published only some five years ago, and neither of these two welcome new recordings of *Acis and Galatea* seem aware that the piece can now be dated so precisely. "Circa 1718," says Archer: "probably written in the summer of 1718 and performed in 1719." The original circumstances of *Acis and Galatea* are vitally important to both recordings, for in varying degrees they both attempt to return to the tradition of the first performances. Handel later arranged the work as mixed Italian-English pastiche, and then revised it for performances with full (by his standards) chorus and orchestra in 1739-40 and in Dublin in 1742; this version was published by Walsh in 1743.

In its original form, however, *Acis and Galatea* was intended for a tiny number of performers. The upper limit is set by Swift's statement that Brydges employed 24 musicians in 1719; the lower limit by the fact that the score can be performed by a mere 12 musicians. Only five singers are required, four soloists (Galatea, Acis, Damon, and Polyphemus), who were joined by another tenor (some-times named Coridon) for the choruses. And seven players: two

violins, two cellos, two oboes (doubling recorder) and harpsichord. Neither of these new recordings uses so few musicians. In his notes for Archiv, Wolfram Windzus doubts that the strings played one to a part, so there are eight violins. Neville Marriner uses what sounds like his full Academy of St. Martin's; and though his choruses are sung by soloists, they are a different set of soloists from those who take the named parts. The addition of a few violins is not a serious matter; but the modifications of the original scheme on Marriner's recording make for a curious compromise.

The "chorus" on the Marriner version consists of Jennifer Smith, Margaret Cable, Wynford Evans, Neil Jenkins and Richard Jackson; plus, for some reason in some places, Paul Esswood. This includes an alto instead of the third high tenor Handel intended, but the blend is good and the singing clearly pointed. The effect is made more than a little ridiculous by accompanying these solo voices with sumptuous masses of strings of the Academy, even though the strings are placed far back in the echo chamber which passes for an acoustic. Moreover, the style of the chorus is in strong contrast to the style of the soloists.

Jill Gomez is an attractively warm, even sensual, Galatea, and her voice has a concentration which is most welcome. But it wavers too often, and there is little pastoral innocence in the interpretation. Robert Tear sings his heart out as Acis in a manner quite unsuited to Handel's style: the excesses are lovable but scarcely acceptable. His final, dying recitative "Hail, Galatea" is done with real insight, however, a pity that "Love in her eyes sits playing" is caricatured with such a vague approximation to the melodic line. Philip Langridge is a light Damon, effective but undistinguished; Benjamin Luxon blusters and booms as Polyphemus as if he were trying to emulate the Laughing Policeman. His singing dominates the record to great effect, but it tips the balance of the performance a little too strongly towards farce.

By contrast, the Archiv recording treats Handel's music with immense seriousness. John Eliot Gardiner is not the most obvious choice for a conductor of a small-scale performance on baroque instruments, and at first there are fears that his familiar hard-driven rhythms will overwhelm the music, making the old instruments sound as near as possible to the Academy of St. Martin's. But the pace relaxes. The acoustic is close, and the balance generally good—though and his bitter resentment at

Jeannetta Cochrane

Soldier Boy

Peter Terson's 11th play for the National Youth Theatre is a modest, sleekly organised exercise in group tension. It is very true, for the dialogue of schoolchildren is on a field project in the Yorkshire Dales. Lolling around in their hostel common-room, they await the return of a teacher and fellow pupil, passing the time by strumming guitars and discussing the plump girl's output of romantic fiction.

The easy air of relaxation and cheerful banter is interrupted by the arrival of a soldier boy, a trained soldier on the run whom Mr. Terson almost, but not quite, presents as a symbol of rough nemesis sent to shake up a cosy adolescent nest. As the mist rises outside, the telephone wires cut, and the soldier (Michael Martin), carrying about his privy privy in an orphanage and his bitter resentment at

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Dome widens Siebens offer

By Robert Gibbons

MONTREAL, August 23. DOME PETROLEUM, which has emerged as the controlling partner in Siebens Oil and Gas after a C\$380m deal in which it is being backed by the Canadian National Railways Pension Fund, said today that all other Siebens shareholders will be offered C\$38.60 in cash per share.

Dome itself will end up with around 75 per cent of the Siebens assets. At present, the public stockholding in Siebens amounts to nearly 20 per cent of the 9.2m shares outstanding.

Hudson's Bay Company will have C\$12.5m of non-convertible shares of Dome in exchange for its 35 per cent interest in Siebens. This 35 per cent interest will later be sold by Dome to Canpar, a subsidiary of the pension fund. The Siebens family will receive cash for its 46 per cent interest. Dome will pay for its assets stake partly in instalments from revenues generated by those assets and managed by Dome.

Analysts confirm that the Bay, by taking preferred shares of Dome, will delay payment of capital gains tax estimated at C\$25m which would otherwise be due on the sale of its Siebens stock.

Since the dividends received on the Dome preferred will be tax-free, the yield is effectively more than 14 per cent to the Bay. The dividend will represent cash flow of more than C\$8m a year and about 14 cents per share addition to earnings.

Sharp gain by Rapid-American

By Our Financial Staff

RAPID-AMERICAN put its recent heavy losses even further behind in the second quarter of this year, and Mr. Mesbuhman Riklis, president and chairman of the distilling, manufacturing and retailing group, now expects his earlier forecast of a 25 per cent earnings jump in 1978 to be exceeded.

At the halfway stage, net profits totalled \$10.27m, a sharp contrast to the \$8.34m lost in the same period of last year, while earnings per share were \$1.05 against a \$1.19 loss.

As a result, Mr. Riklis is also recommending an additional 20 cents dividend later this year. Two months ago, it declared a payment of the same amount, its first since April, 1975.

Soaring sales at U.S. retailers

BY DAVID LASCELLES IN NEW YORK

WITH ALL the economic uncertainty in the U.S., the retail trade has come under closer scrutiny than usual this year for evidence of what the consumer — the ultimate economic trend-setter — is up to. Judging by sales figures for the first six months, he is spending hard. Most of the big chain stores have reported large increases in sales by mid-year, and those that did not were usually able to give some special reason.

After a poor start due to the severe winter, business picked up sharply, and sales rises of 15 per cent or more were not uncommon for the large stores, much of this registered in the second quarter as people geared up for the summer.

Noteworthy increases were reported by the three retail giants, Sears, Roebuck, where sales rose 11.5 per cent by mid-year, J.C. Penney, with a 20 per cent rise, and K. Mart, up by 16 per cent. Among the companies who reported stagnant or declining sales, Woolworth's 3.5 per cent was lower than the rate of inflation for the period and was attributed to currency fluctuations and other technical reasons. May Department Stores, which like Woolworth's, ranks among the 10 largest, also had a sales gain of around 8.5 per cent.

Most stores agreed that the strongest trends had been in clothing of all kinds including sportswear, though individually they singled out good sales of various durables, such as cameras, in the case of K. Mart, a time of high inflation. For

A notable exception to the trend towards greater profitability among the big U.S. store groups is Sears Roebuck, the biggest of them all. Despite a rise in sales, its first half earnings are down this year

up one and a half times in the first six months of the year to reach \$36.2m, despite the relatively slow growth in sales. Although part of this was due to Woolworth's complex international operations, which are not characteristic of the industry as a whole, the company's chairman Mr. Edward Gibbons, attributed it to a broad recovery from the depressed levels of a year ago.

More significantly, perhaps, Mr. Gibbons also reported that gross margins and selling, general and administrative cost ratios had been maintained or improved in "virtually all divisions."

This trend towards greater profitability is being maintained across a broad range of the retail business despite the pressures of growing costs and stores' vulnerability to consumer resistance or political interference at a time of high inflation. For

this year despite the rise in sales. The Chicago-based chain's net income for the first half-year was \$1.11 per share against \$1.13 (1967-70=100) in July and that its index of buying plans crashed no less than 30 points to 91.2, its lowest level since 1975.

But the retailers themselves are optimistic. Their inventories all held and their future expectations are ambitious. Typical of their attitudes are statements from two leading groups. Woolworth's Mr. Gibbons says: "While we continue to be concerned by inflation and its effects on the retail business, we see no reason for undue pessimism, and are planning accordingly." At K. Mart, Mr. Robert Dewar comments: "Despite the conflicting economic indicators, the favourable business climate and the industrial production continue to provide reasons for a positive outlook for the balance of 1978."

A.B. Dick in anti-trust suit

SAN DIEGO, August 23.

A \$70m anti-trust suit claiming a conspiracy in the office copying machine business has been filed against Agfa-Gevaert of Belgium, A. B. Dick Inc. and Inleasing Corporation.

The suit has been filed in a U.S. District Court by Advanced Business Systems Inc. and Buxco Systems, owned by Richard and Geraldine Diamond.

The dispute centres around copying machines manufactured by Agfa-Gevaert. The action contends that Advanced Business Systems and Buxco Copy were granted exclusive dealership rights in Orange and San Diego counties in March, 1973, by the manufacturer of health foods and the processing of frozen foods.

Lyons' main products are also extensively marketed through supermarkets, grocery stores and catering outlets, and the similarity of their marketing and distribution techniques with ours is obvious. Allied can provide Lyons with additional outlets for their products; Lyons can provide Allied with additional catering services and techniques. Both companies will exchange considerable and complementary experience and expertise.

AP-DJ

Crane now enters Medusa bid arena

By David Lascelles

NEW YORK, August 23. THE LONG struggle for control of Medusa Corporation, the Cleveland-based cement producer with annual sales of \$80m, took a sudden turn today when a shareholder company which had objected to a previous merger came up with an offer of its own. This is the fifth merger offer Medusa has received in 13 months.

The new suitor is Crane, maker of steel specialty products, and the world's leading producer of industrial valves. It stepped in with an offer to buy a majority of Medusa's shares after the collapse of Medusa's earlier agreement to merge with Kaiser Cement and Gypsum. That agreement ended yesterday after a sharp rise in Kaiser's share price obliged the company to revise its offer.

Medusa's Board met today to consider Crane's bid which involves a cash offer of at least \$47 a share for a sufficient number of shares to bring Crane's holding up from its present 20 per cent to 48 per cent. Additional Medusa shares would be exchanged for Crane non-convertible and convertible preferred stock.

Medusa's shares have recently been trading between \$42 and \$44 on the expectation of a takeover by Kaiser. Crane itself acquired about 4m shares at \$44 as a prelude to today's offer, it revealed in a statement to the Securities and Exchange Commission.

Medusa's string of suitors began last year when Moore McCormack Resources, a Connecticut iron ore and freighter concern, offered \$35.50 a share, later raised to \$38 a share. Medusa rejected this approach and turned instead to Oglebay Norton, a Cleveland shipping and mining company which proposed a merger worth \$115m.

This offer, which Medusa favoured, was scuppered by Crane which had already moved tentatively towards acquiring Medusa for itself. But before it could move further, the Kaiser offer intervened.

Medusa, which rates among the largest U.S. cement producers, has a reputation as a well-managed company with modern plant which makes it attractive to takeovers. Its earnings in the first half of 1978 rose 11 per cent to \$2.5m, or 35 cents a share.

Mixed performance in first half at Internatio-Mueller

BY CHARLES BATCHELOR

AMSTERDAM, August 23

THE Rotterdam-based trading company, Internatio-Mueller, reported an increase in net profit for the first half of 1978, but this was largely due to extraordinary items and a lower tax charge. The company's operating profit was lower than in the same period of 1977.

It expects net profit in the second half to be about the same as the F1 17.2m (\$8m) in the past six months of 1977. It also repeated its forecast that profit in the year as a whole will be higher than the F1 31.5m for F1 1977.

The performance of the trading division, which accounts for two-thirds of turnover, was little changed on the previous year. Despite a disappointing result was 4.5 per cent higher at from road haulage activities, the F1 1.73bn (\$800m).

Six month setback at Thyssen Bornemisza

BY OUR OWN CORRESPONDENT

THYSSEN BORNEMISZA, the international industrial holding company, announced a decline in profits and turnover in the first half of 1978. Net profit fell 8 per cent to F1 11.1m (\$5.5m) from F1 12.1m (\$6.1m) in 1977. Sales fell 7 per cent to F1 1.55bn (\$717m) from higher at F1 1.67bn.

The results in Europe reflect the unfavourable development of the Dutch and West German economies. All sectors in the U.S. improved their results, but the decline in the value of the dollar continued to affect the result in guilder terms.

The poor first half performance follows an 8 per cent profit decline in the first half of 1977. Net profit in the first half of 1977 was F1 12.1m (\$6.1m) from F1 12.1m (\$6.1m). Sales were 19 per cent higher at F1 1.67bn.

The company's U.S. activities, grouped under Indian Head, accounted for more than half of the concern's operations last year. It also recently added the container leasing group Interpool to its U.S. holdings.

EUROBONDS \$125m issue for Canada

BY FRANCIS GHILES

PRICES in the dollar sector of the market were steady yesterday in full trading. In New York, the \$125m Yankee bond for the Export Development Corporation of Canada has been priced at par investment bank. This bond with a coupon of 8.50 per cent and has been priced at 99 1/8 to yield 8.75 per cent.

In the Deutsche-mark sector, yield was higher than at the beginning of the week, while prices edged up slightly.

Triol Kenwood will be priced Bank Corporation. The indicated Deutsche Bank. The same bank coupon is 3 1/2 per cent.

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ALLIED BREWERIES LIMITED
OFFER FOR J. LYONS & COMPANY LIMITED

The above offer was made public on the 4th August, 1978. Some days later Allied and its advisers first became aware, through the National Press, of apparent unease of certain Pension Fund Managers. As soon as this came to Allied's attention Samuel Montagu, financial advisers to Allied Breweries, met the Chairman of the Investment Protection Committee of the National Association of Pension Funds, whilst at the same time a small group of Pension Fund Managers asked for and had a meeting with the Chairman of Allied Breweries. At these meetings it was made clear that the Board of Allied did not consider itself bound, either legally or morally, to call a shareholders' meeting to approve the Lyons acquisition, nor was it in the best interests of shareholders to do so and by the event that it was unrealistic to assume that a new condition could now be arbitrarily inserted in an offer already negotiated and announced. At the same time Allied suggested that the concern expressed appeared to be unjustified and also premature, since a reasoned view on the proposed Lyons acquisition could not be reached by shareholders prior to receipt of the documents and a covering letter which would be circulated to Allied shareholders concurrent with the formal offer to Lyons shareholders.

Subsequently the Chairman of the "Case Committee" appointed by the NAPF met Samuel Montagu to give notice that an Opinion of Counsel had been received, a copy of which was given to Samuel Montagu, expressing the view that in issuing shares under this transaction without specific shareholder approval Allied would be acting contrary to the statements made at the time of increases in authorised capital in 1976 and 1977.

In order to confirm the view which they already held Allied also obtained Counsel's Opinion; and Leading Counsel has advised that in his opinion the issuance of shares for the acquisition of Lyons would not be contrary to the statements mentioned above, and a copy of his Opinion was given to the NAPF.

The Case Committee has made it clear to Allied that their attitude did not necessarily indicate opposition to the proposed acquisition, but without any further discussion either with Allied Breweries or their advisers the NAPF elected to circulate its members with a view to requisitioning an Extraordinary General Meeting of the company. This circular referred to Counsel's Opinion obtained by the Case Committee and enclosed a "synopsis" of it, but made no reference whatsoever to the contrary Counsel's Opinion received by Allied and which was already in the hands of the Case Committee.

The Case Committee's proposed resolution seeks to request the directors of Allied "to place full details of the proposed takeover of J. Lyons & Company Limited before this Company's shareholders for their approval prior to the issue by directors of any shares in the Company in connection therewith." The Allied Board consider that no useful purpose would be served by convening an Extraordinary General Meeting of the Company other than for explanatory purposes which will be fully covered in the documents to be sent to shareholders. Moreover, the Allied Board cannot impose a new term on Lyons as the proposed resolution envisages, thus rendering unworkable the substance of the resolution.

As stated, all Allied shareholders, many of the largest of whom have indicated their support for the proposed acquisition, will be circulated with a full set of the offer documents including a letter from the Chairman of Allied setting out fully the Board's reasoning which underlies the proposal. In view, however, of the interest generated by

the NAPF actions there is set out below the text of the covering letter from Allied's Chairman.

J. LYONS & COMPANY LIMITED

"I am sure you will be aware of Allied's proposed offer to acquire the share capital of J. Lyons & Company Limited. The formal offer document will shortly be despatched to the shareholders of Lyons by Samuel Montagu & Co. Ltd., on Allied's behalf and a copy of this document will at that time be sent to ordinary shareholders of Allied Breweries for their information.

I am convinced that a unique opportunity now exists for us to acquire, on favourable terms, a celebrated company whose activities are wholly compatible with our own, and which would extend Allied's interests from its present basis of manufacturing, marketing, distributing and retailing a composite range of alcoholic and non-alcoholic drinks and food to embrace tea, coffee, ice-cream, and other manufactured food. Your company is not preparing to diversify its activities or interests. In acquiring Lyons it would be extending its existing operations in the sale of drink and food. In short, it is the same kind of business.

There is no question of Allied having any desire to become a "conglomerate" and to extend its activities into areas where it has no special skills and experience. On the contrary, this acquisition would be an extension into a field of compatible activities—the marketing and distribution of mass-market, branded consumer products of drink and food—and would be an advantage to everyone concerned, not least to the consumer.

In normal circumstances a considerable premium would have to be paid for acquiring a distinguished company with such valuable brands established on a world-wide basis. But because Lyons has become over-gearred and has had to devote much of its energy to dealing with its financial problems, we have the opportunity to acquire the company at the present time on good terms and to help it to become once again a profitable British competitor in a field where a great deal of the opposition is foreign-owned. We are confident that the acquisition will benefit Allied, Lyons and the national interest all at the same time.

To most shareholders a detailed description of the United Kingdom business interests of Lyons may well be unnecessary. Lyons has been a household name since the turn of the century, and includes such well-known brands names as Tetleys and Lyons tea and coffee; Lyons Malt, Bextorrell, Midland Counties and Baskin-Robbins ice-cream; Tetleys pies and meat products; Lyons and Hale Trent cakes, and London Steak House. I should also like to emphasise the substantial international interests of Lyons, which extend to the United States, Canada, East Africa, Australia, Spain, Italy, France, Holland and the Republic of Ireland. These overseas interests are largely concerned with Lyons' traditional products—tea, coffee, ice-cream and food products—and also include, in France and Holland, meat processing.

Reference must also be made to the considerable catering interests of Lyons—not only well-known through the London Steak House chain, but further afield as caterers at country houses, safari parks, and other leisure centres, as well as, traditionally, at Wimbledon for the Lawn Tennis Championship fortnight and at the Chelsea Flower Show.

Thus, the Lyons group contains impressive interests nationally and internationally in the fields of food and drink, many of which bear well-known brand names and which collectively provide a turnover in the year ended

31st March 1978 approaching £800 million, divided approximately 55% overseas and 45% in the United Kingdom.

Lyons is primarily a food business, and drinks are only of secondary importance, but Allied, while mainly a drinks business, also possesses significant food and catering interests. Through our international estate of 9,300 licensed houses and through our 43 hotels and 1,075 off-licences we already concern ourselves with the retail sale of many well-known leading brands of alcoholic and non-alcoholic drinks, but also with the provision of food and comprehensive catering services—with all that this implies. As you know, our products are widely sold through supermarkets, grocery stores, and catering outlets. Furthermore, we also have had for some years increasing and successful interests in the manufacture of health foods and the processing of frozen foods.

Lyons' main products are also extensively marketed through supermarkets, grocery stores and catering outlets, and the similarity of their marketing and distribution techniques with ours is obvious. Allied can provide Lyons with additional outlets for their products; Lyons can provide Allied with additional catering services and techniques. Both companies will exchange considerable and complementary experience and expertise.

So far as overseas interests are concerned, Allied is strong in exports to North America and to many other world markets. We have investments and important production units in a number of countries—notably Holland, Belgium, France, Australia and East Africa—and our knowledge of these and other markets is considerable and has been acquired over many years. We are confident that, through our companies and connections, Lyons' overseas business can and will be expanded, that their prospects will be significantly improved, and new projects undertaken together.

Finance has been a serious problem for Lyons for several years. The financial strength of Allied is more than sufficient to shoulder that problem and to free the Lyons management, with our help, to concentrate upon more effective day-to-day running of the business, thus not only achieving better profit performance but also enabling development projects to be undertaken at home and overseas which would not otherwise have been possible. Such assistance as Lyons may require should not, in our judgment, have any adverse effect on Allied's own capital expenditure plans and budgeted performance.

Allied is fully aware of the advantages of small units, and not least in their impact upon industrial relations, and performance. The existing organisation of individual companies making up the wine and spirit division, together with the recent creation of eleven separate companies within the beer division, and our emphasis upon the importance of the individual, all testify to our faith in this concept. Nonetheless, those who argue that "small is beautiful" must also recognise that there are some areas in which it is not possible to remain small and competitive, particularly in fields where some of the largest foreign companies have substantial market shares and where there is also active foreign interest and involvement in British companies. In these circumstances there is an overwhelming argument for the advantages of size—particularly in matters such as national advertising and distribution—to enable such competition to be resisted and overcome.

Turning to the financial aspect of Lyons, its recent profit showing has clearly been inadequate, whilst the consolidated balance sheet at 31st March, 1978 disclosed an excessive ratio of debt to shareholders' funds, albeit an improvement on twelve months earlier.

Nonetheless, so far as profit is concerned, the Lyons Board believes that the fortunes of the company are now recovering, as evidenced by recent comments about the immediate future by the Chairman of Lyons. Based on our present knowledge of Lyons, we share that belief. However, it would be premature to make any precise estimate of Lyons' profit for its current year ending 31st March 1979, and this makes it impossible to give short term earnings per share projections, which in any event would be of limited significance unless coupled with a corresponding projection for Allied as presently constituted and for an identical period.

By reference to a pro-forma consolidation of the latest available published balance sheets of Allied and Lyons adjusted as appropriate the total indebtedness would amount to something less than 75% of shareholders' funds, with the latter arrived at after eliminating goodwill and other tangible assets presently shown in the Lyons balance sheet. Your Board believes that this represents an acceptable position, taking all the circumstances into account.

In this context, I would remind you that on 2nd August, 1978 Allied sold its entire holding of shares in Trust House Forte Limited for £48.4m, the shares in question being placed with institutional investors. After allowance for estimated capital gains tax payable of £2.5m, the sale has provided an increment to reserves of £37.9m, and a substantial addition to our cash resources.

On the subject of management, our intention is that Lyons should operate as a separate division within Allied—but subject, of course, to our disciplines and procedures, and with such reinforcements as may be required. However, the ultimate responsibility for performance must and will rest with the Allied Board, and it has been agreed that, upon the offer becoming unconditional, representatives of Allied, including myself, will join the Lyons Board and that I will be appointed Chairman. Mr. Neil Salmon, Deputy Chairman and Mr. L. Badham will remain Managing Director.

Allied already own 2 million Lyons ordinary shares acquired at a cost of £1.9 million and assuming that acquisition of the remaining Lyons ordinary shares is fully implemented it will involve the issue of approximately 72 million new Allied ordinary shares. These shares would represent some 12% of the ordinary share capital as increased thereby.

Our purpose is that the acquisition of Lyons would produce no dilution for Allied's shareholders. But even more important than this your Board is firmly of the opinion that the two businesses are sufficiently concordant to enable us to achieve new growth and a higher return on capital for Allied's shareholders by the acquisition of Lyons than would otherwise be possible.

Your Directors, having carefully considered all these matters, are strongly convinced that these arrangements are emphatically in the interests of Allied shareholders.

K. S. SHOWERING,

Chairman

A duly authorised Committee of the Board of Allied have taken all reasonable care to ensure that the facts stated and opinions expressed above are fair and accurate and that no material facts have been omitted and all the directors of Allied (except for Mr. J. H. Moore who is in Canada and was unable to be reached), jointly and severally, accept responsibility accordingly.

INTL. FINANCIAL AND COMPANY NEWS

Mexico plans to centralise borrowing

BY FRANCIS GHILES

MEXICAN Government sources yesterday confirmed plans aimed at consolidating the short-term external borrowings of various public sector agencies by means of a large loan raised by the United Mexican States.

Neither the Mexican Government nor major banks likely to be involved in the loan would give any details of its size, nor of the probable maturity or interest rate.

Other banks suggested that it could well materialise at the \$2bn which has been reported, and that on the question of terms, an element of a 1 per cent spread over the interbank rate for a period of five years should not be ruled out.

The figure of \$2bn would make this the third largest medium-term international bank loan ever, following the \$3bn facility arranged by Canada earlier this year and

the UK Treasury's \$2.5bn in 1974.

Such a loan raises several major questions about Mexican borrowing policies. One is the extent to which such a consolidation would increase the difficulties faced by U.S. banks in coming up against ceilings on loans to Mexican borrowers: big borrowers like Mexico have tended in the past to split borrowing among as many agencies as possible, so that

banks could claim that each loan should be treated independently for the purpose of the ceilings.

Another question is the extent to which the agencies concerned might resist attempts to centralise Mexico's borrowing. Hitherto the Mexican Government has exercised less control than other countries over the external borrowing activities of the public sector agencies.

CFP rights to raise \$135m

By David Curry

PARIS, August 23. COMPAGNIE Française des Pétroles (CFP), parent company of the French Total oil group, is raising almost FF88m (\$135m.) by a rights issue. This is believed to be the biggest capital-raising operation ever undertaken on the Paris bourse, and it has been made possible by the strong recovery in prices since the beginning of the year and, more particularly, by the Conservative victory in the General Election.

CFP is inviting shareholders—including the state which has 35 per cent of the shares but 40 per cent of voting rights—to subscribe for one new share for every four existing shares. The shares will be of FF50 nominal, with an issue price of FF10, which is a significant discount on yesterday's market price of around FF12.50 a share.

The operation should bring in FF88m since the major shareholders are committed to following it. The new shares will rank from July 1 and will qualify for half of the dividend for the current financial year. The issue will add about 5m to the company's outstanding 21m shares.

The new capital will permit CFP to restore the equilibrium between debt and equity which has been distorted in recent years by the need to finance an ambitious exploration programme by loans. The debt equity ratio was 34 per cent in 1974, but was up to 45 per cent in 1977.

CFP ended the half year with a FF132m (\$39.4m) net profit on turnover up from FF9.4bn to FF10.2bn (\$23.3bn).

VME-Stork in talks on link with RSV

By Charles Batchelor

AMSTERDAM, August 23.

RJIN - SCHELDE - VEROLME (RSV), Holland's largest shipbuilder, and the engineering group VME-Stork, are to make a second attempt to co-operate on the manufacture of energy systems. The two companies, both of which are undergoing a restructuring following heavy losses, first announced they were holding discussions last September, but these were ultimately unsuccessful.

The Economies Ministry has now asked an outsider, Mr. H. M. van Mourik Broekman, a former senior manager at Akzo's salt division, to investigate the possibility of a link.

The two companies agreed with the Minister that co-operation in the construction and development of energy systems and services is desirable, but they were unable to agree in the first round of talks, the Ministry said.

Electrolux comfortably exceeds profit forecast

BY JOHN WALKER

STOCKHOLM, August 23.

ELECTROLUX, the Swedish household equipment group, increased pre-tax profit for the first six months of this year by SKr 100m to SKr 389m (\$83m). This comfortably exceeds the forecast made at the company's annual meeting held earlier this year, at which it was estimated that the improvement in the net profit would be in the region of 10 per cent provided that there were no major additional variations in important currencies affecting the group.

Group sales for the first six months of this year totalled SKr 5.8bn (\$1.3bn) compared with SKr 4.2bn in the corresponding period in 1977. Electrolux has been expanding rapidly abroad by acquiring a number of foreign companies, and these accounted for some

half of the 33 per cent increase in turnover noted in the first half of 1978.

The expansion has been aimed at strengthening and consolidating the group's position. Acquisitions include the Husqvarna concern, which manufactures electrical household equipment and motor cycles. The Husqvarna group equity exceeded the purchase price paid by Electrolux, and in the consolidated account this has been set up as a reserve against such losses from the Husqvarna activities will be charged.

The parent company profit before appropriations and taxes for the first half of 1978 amounted to SKr 142m (\$32m) compared with SKr 81m in the first half of 1977. Parent company sales amounted to SKr 783m (\$180m) in 1978 compared with SKr 750m in the same period of last year.

Citroen to expand in Spain

By Robert Graham

MADRID, August 23.

CITROEN France is in the process of reorganising its Spanish operation and of increasing its direct stake. These moves appear to have been set in motion before the Peugeot-Citroen approach to Chrysler Europe, but they acquire an added importance as a result of that step.

The commercial operations of Citroen, essentially marketing and distribution networks, and the manufacturing operations are being merged into one company. Previously these were separate entities, the French parent holding 45 per cent of the manufacturing operation based at Vigo and 20 per cent of the commercial company.

These two companies began to merge in June, and the French parent then acquired a total of 54 per cent in the new company.

DOMESTIC FUNDING

Wessanen raising \$23m

BY OUR OWN CORRESPONDENT AMSTERDAM, August 23.

WESSANEN, the Dutch food group, plans a Fl 50m (\$23m) bond issue on the domestic capital market. This is the first Dutch industrial borrower to tap (\$1bn). Its five divisions are the public capital market for more than a year. Pakhoed, the transport, storage and property company, came to the market in April 1977.

The Wessanen issue is for 15 years and carries an 81 per cent coupon. The issue price will be announced on August 29 at the latest and current market conditions indicate a price of around 101 per cent.

Redemption will be in 15 equal annual instalments starting on October 1, 1979. Accelerated redemption is allowed at 103 per cent from 1988. Subscriptions open on August 31 for payment on October 2.

The loan will be issued by Wessanen Nederland and guaranteed by Koninklijke Wessanen. The management group is led by Amsterdam-Rotterdam Bank and includes Pierson Helderling and Pierson, Amro's merchant bank subsidiary.

The success of the recent state loan and the use of the local government bank, Bank Nederland-Nieuwlandse Gemeenten, mean that conditions are favourable at the moment, market sources said.

Wessanen said that the issue is being made to consolidate short-term debt. Its 1977 sales rose 16 per cent to Fl 2.21bn. Its five divisions are: cocoa and oils, animal feeds, dairy products, flour and meat.

John Wicks adds from Zurich: The Swiss pharmaceutical company Siegfried A.G. of Zollikon, is from August 24 to 30 to issue Sfr 20m (\$12m) worth of 4 per cent bonds, the proceeds of which will go to finance mortgages and short-term liabilities, and for new investments. The 12-year issue will be offered by a consortium led by Swiss Bank Corporation, Basle, at a price of 101 per cent.

Also on the Swiss capital market, the recent Sfr 50m bond issue by Drey Bank Corporation, Zurich, at 91 per cent, was over-subscribed and bonds had to be rationed.

Reuter adds from Rome: Industriale Zantucci has raised Lit 100m (\$11.9m) through the discount of bankers' acceptances with a group of eight banks, company officials said.

The bankers' acceptances are for six months, discounted at a spread over interbank money rates. Their issue follows a recent reduction in stamp duty on this type of operation.

Further losses by Garde-Temps

BY JOHN WICKS

ZURICH, August 23.

AN extraordinary general meeting called for August 30 on the Board of the Swiss watch company Garde-Temps.

In the past financial year turnover showed a further slight decline. The U.S. subsidiary in the light of a new loss by Waltham Watch was sold early in the year. Elsewhere outside Switzerland, sales in the UK did not develop according to plan.

Swiss 1978, the auditors call for an interim balance and for recourse to necessary corporate measures. Last October the Garde-Temps announced its share capital to be reduced by a substantial net reduction following a 10 per cent drop in group turnover for the preceding financial year and a negative cash-flow of Sfr 13m. Corporate restructuring measures were also taken, with the

concentration of all watch activities in a single La Chaux-de-Fonds factory.

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NOTICE OF REDEMPTION

To the Holders of

ENTE NAZIONALE IDROCARBURI

E.N.I.

(National Hydrocarbons Authority)

7½% Sinking Fund Debentures due October 1, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on October 1, 1978 as the principal amount thereof \$1,666,000 principal amount of said Debentures bearing the following serial numbers:

DEBENTURES OF U.S. \$1,000 EACH

31	3216	3225	7119	8017	11322	13422	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
32	3289	3298	7147	8011	11344	13417	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
33	3304	3311	7154	8027	11374	13451	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
34	3328	3335	7161	8030	11378	13451	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
35	3349	3357	7204	8066	11397	13465	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
36	3416	3423	7228	8078	11406	13465	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
37	3440	3448	7248	8105	11425	13479	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
38	3469	3476	7280	8125	11452	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
39	3525	3532	7278	8126	11452	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
40	3569	3576	7280	8125	11452	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
41	3589	3596	7280	8125	11452	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
42	3630	3637	7319	8161	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
43	3658	3665	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
44	3685	3692	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
45	3709	3716	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
46	3729	3736	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
47	3749	3756	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
48	3769	3776	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
49	3789	3796	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
50	3809	3816	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
51	3829	3836	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
52	3849	3856	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
53	3869	3876	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
54	3889	3896	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
55	3909	3916	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
56	3929	3936	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
57	3949	3956	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
58	3969	3976	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
59	3989	3996	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
60	4009	4016	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
61	4029	4036	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
62	4049	4056	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
63	4069	4076	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
64	4089	4096	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
65	4109	4116	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
66	4129	4136	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
67	4149	4156	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
68	4169	4176	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
69	4189	4196	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
70	4209	4216	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
71	4229	4236	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
72	4249	4256	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
73	4269	4276	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	48321
74	4289	4296	7341	8170	11481	13484	18340	26272	31954	34978	38018	39816	41818	43274	43999	

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output engineering orders, retail sales volume (1970=100); retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp.	Vacs.
1977							
2nd qtr.	102.1	102.2	106	102.5	232.0	1,339	183
3rd qtr.	102.0	104.0	106	104.3	234.2	1,418	151
4th qtr.	102.4	103.4	106	104.4	239.4	1,431	157
1978							
1st qtr.	103.5	103.8	98	106.2	246.0	1,469	188
2nd qtr.	104.3	104.8	107	107.9	254.2	1,387	213
Feb.	103.7	103.7	116	106.8	248.5	1,409	187
March	103.5	104.4	103	107.0	249.8	1,400	196
April	103.4	105.8	104	106.7	250.3	1,387	204
May	104.3	105.6	108	108.4	255.2	1,388	210
June	104.3	105.0	108	108.3	257.1	1,286	217
July				110.5		1,371	211
August						1,331	208

OUTPUT—By market sector: consumer goods investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1970=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mfg.	Textile etc.	Housg. starts
1977							
2nd qtr.	113.4	98.1	105.2	99.2	80.5	100.2	25.1
3rd qtr.	115.5	98.5	104.9	100.1	83.2	100.7	25.4
4th qtr.	117.0	98.0	101.9	99.4	74.5	100.0	20.7
1978							
1st qtr.	116.1	99.6	104.6	100.7	76.8	99.7	17.8
2nd qtr.	116.8	99.0	106.9	101.2	83.1	100.3	17.5
Jan.	116.0	100.0	104.0	101.0	75.0	99.0	17.4
Feb.	117.0	99.0	106.0	101.0	78.0	100.0	17.5
March	117.0	100.0	104.0	102.0	78.0	100.0	20.0
April	117.0	100.0	109.0	102.0	85.0	105.0	25.4
May	115.0	98.0	106.0	101.0	83.0	98.0	25.1
June	116.0	99.0	106.0	101.0	80.0	98.0	29.6

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms of trade	Resv. US\$bn
1977							
2nd qtr.	118.0	108.8	-764	-365	-745	104.3	14.9
3rd qtr.	124.1	106.4	+ 84	+537	-602	101.0	13.4
4th qtr.	117.9	106.6	+ 45	+486	-657	102.4	20.3
1978							
1st qtr.	102.3	114.3	-674	-305	-646	105.1	20.3
2nd qtr.	122.6	110.0	+139	+221	-420	104.4	18.21
Feb.	127.4	111.3	+ 43	+132	-203	104.8	20.7
March	121.4	116.9	-279	-189	-209	104.8	20.32
April	125.9	104.1	+187	+307	-149	104.0	17.5
May	119.0	114.7	-118	-98	-126	106.1	17.5
June	121.9	111.9	-108	+12	-116	104.1	16.54
July	128.9	117.1	-150	-30	-229	104.8	16.74

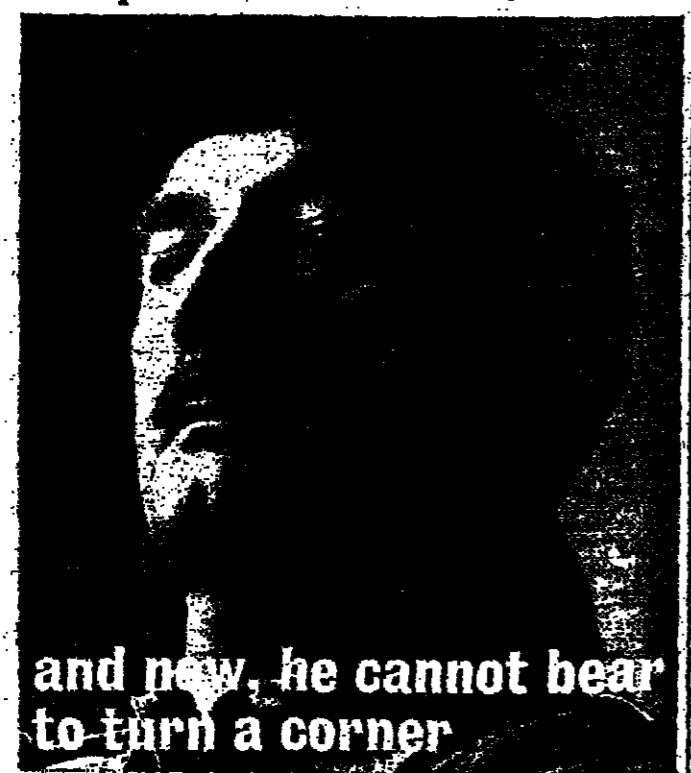
FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months growth at annual rate); domestic credit expansion (EM); building societies' net inflow; RP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE %	BS inflow	HP lending %	MLR %
1977							
2nd qtr.	24.8	14.9	5.5	+769	1,290	1,047	8
3rd qtr.	25.0	10.4	20.3	+385	1,084	1,149	7
4th qtr.	23.2	12.6	8.8	+698	1,565	1,189	7
1978							
1st qtr.	24.7	24.0	17.5	+1,818	1,049	1,280	61
2nd qtr.	8.7	15.9	24.8	+2,892	694	1,393	10
Feb.	26.8	28.5	17.9	+1,083	353	418	61
March	24.7	24.0	17.5	+597	308	413	61
April	19.1	24.7	12.6	+1,432	335	483	7
May	13.2	17.4	18.3	+1,124	212	471	9
June	8.7	15.9	24.8	+307	147	459	10
July					180		

INFLATION—Indices of earnings (Jan. 1978=100); basic materials and fuels, wholesale prices of manufactured products (1970=100); retail prices and food prices (1974=100); RPI commodity index (July 1982=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic mals.*	Wholesale mfg.*	RPI*	Foodst.*	FT* comdty.	Strg.
1977							
2nd qtr.	114.5	347.7	339.2	181.9	191.1	250.0	61.6
3rd qtr.	116.1	340.5	367.7	184.7	192.1	239.9	61.8
4th qtr.	119.9	330.6	272.1	187.4	193.3	234.2	63.3
1978							
1st qtr.	123.1	326.7	279.0	190.6	197.3	238.51	64.8
2nd qtr.	129.9	340.7	284.6	195.8	202.8	242.27	61.5
Feb.	122.7	324.2	279.2	190.6	197.3	224.86	66.0
March	125.0	331.0	280.6	191.8	198.4	238.61	64.1
April	127.2	337.4	282.7	194.6	201.6	258.94	61.8
May	129.1	341.5	284.6	195.7	203.2	250.67	61.5
June	133.1	343.1	286.3	197.2	204.7	242.27	61.5
July		340.2	288.7	198.1	206.1	237.88	62.5

Perhaps the bravest man I ever knew...



and now, he cannot bear to turn a corner

Six-foot-four, wiry, "Tiny" G... is, perhaps, the bravest man I ever knew. But now, after seeing twice in Aden, after being booby-trapped and ambushed again and again, "Tiny" cannot bear to turn a corner. For fear of what is on the other side.

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CONTRACTS

Big kiln to be built in sections

HEAD WRIGHTSON TESSDALE, member of the Davy International group, has won an order valued at £1.5m for the supply and erection of a rotary kiln for British Chemicals, Cleveland. This kiln, about 300 feet long and weighing 1,400 tons, will be the biggest and heaviest to be built by the company. It will be fabricated and transported to site in five sections, then aligned and erected on four roller supports. A rotational drive will be by twin pinion gear and will be thyristor controlled. It represents, it is claimed, a major advance in the technology of sodium dichromate production processing in Europe. It will be built in collaboration with Vötsch & Tonwerk Inc., Pennsylvania, U.S.

EMERSON ELECTRIC INDUSTRIES has received a £250,000 contract to install an interruptible power supply equipment at the London Air Traffic Control Centre, West Drayton. The installation is scheduled for completion by April next year and will comprise four units of 250kVA each. Only three units will be in use, with the fourth on stand-by to supply and drive the radar control main frame computer, the power supply will be a static fixed frequency inverter system with battery support. It ensures that the Centre's electronic monitoring equipment is safe from electrical failure and mains voltage line transients. This equipment is used to control all civil and military aircraft flying over most of England and Wales.

The Herald and Weekly Times, of Melbourne, one of the largest publishers of newspapers and magazines in Australia, has signed contracts with LINOTYPE-PAUL, London, for the supply and installation of a 5500 electronic publishing system, valued at over £3m. When installed, this will, it is claimed, be the most advanced photocomposition system of its kind in the world. Delivery will begin in January, with installation to be phased over several years.

The flight test department of British Aerospace at Watlington, Lancs., has ordered an ICL 2960 computer system. Valued at more than £1m, the new computer will be installed in November. The contract covers the design, development and testing of the system, including an intensive technical evaluation by the flight test department which covered all major mainframe and mini computer manufacturers. The system is part of a list of equipment ordered by the department for the flight test department against leading American manufacturers.

HADEN ENGINE has won an £800,000 contract to install a contract at Cummins Engine Company, Shotts, Lanarkshire. Within a programme of development and renovation 21 engine test cells are to be provided. Work planned in two stages should start in September with Phase I completion scheduled for February, 1979, and Phase II in February, 1981.

Orders for control equipment worth £500,000 for an integrated iron and steel plant in Brazil have been placed with CUTLER-HAMMER EUROPA, Bedford. The orders have been placed by Davy Ashmore International, Clarke Chapman, Davy-Bamag, J. M. Henderson and Woodall-Duckham. The equipment mainly low voltage motor control centres, is for the Aço Minas Gerais S.A. iron and steel plant for which Davy Ashmore is the principal contractor—on a greenfield site in the state of Minas Gerais about 140 miles from Rio de Janeiro. The controls, for delivery at the end of this year and early next, include blast furnace controllers with programmable controllers and controls for the coke handling and processing plant.

Work is starting on three advance factories for the Department of Industry at Goldthorpe Industrial Estate near Barnsley. These factories are of the terrace unit type, two of 5,000 sq ft each, and capable of division into two. The third is 15,000 sq ft and capable of division into four. A contract worth about £235,000 has been awarded to FIRTH CONSTRUCTION, Doncaster. Completion is scheduled for March next year.

BRITISH FURNACES, Chesterfield, has an order worth about £250,000 from Rover Triumph Cars for a new furnace for carburising scheme, with atmosphere gas generator, to be installed at Penrith, Cumbria. The unit will be automated and will increase production of gearbox components. The components will be processed at 1,200°C.

Weighting equipment contracts from seven chemical companies have been placed in the last four weeks with TOLEDO SCALE. Total orders amounted to some £225,000 and ranged from a bench scale weighing in grammes to a 50-ton capacity low profile weighbridge which requires no pit for installation.

DEWARANCE has won orders totalling more than £200,000 for high-pressure valves, boiler mountings and isolators for a power station in Kentucky, placed by Kentucky Utilities, and methanol plants in Russia, placed by Babcock and Wilcox.

REDLER CONVEYORS has been awarded a £700,000 contract to supply conveyors and associated equipment for a new cement works in the north of Yemen. The total project is being financed by the World Bank and the Saudi Fund for Industrial Development.

URDE has been awarded an engineering contract by the FSC Corporation for a plant to produce phosphorus pentasulfide, a component of pesticides. The contract covers engineering and supply of proprietary items of equipment. The production process was licensed by Hoechst.

A consortium comprising RSC TECHNICAL SERVICES, SEL TRUST ENGINEERING and SOCRATE DES CEMENTS FRANÇAIS has been awarded a contract by The Philippine Cement Corporation to undertake a technical study of each of the 18 cement plants in the Philippines to determine their present capacities, the steps required to restore capacity (where necessary), and report on anti-pollution control installations.

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Ind. div. yield %		5.24	5.28	5.25	5.20
STANDARD AND POORE					
	Aug. 23	Aug. 22	Aug. 21	Aug. 19	Aug. 17
	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12
	High	Low	High	Low	High
Ind. div.	116.18	115.49	114.35	113.85	112.29
Composite	104.91	104.51	103.89	104.75	105.86
	104.85	104.45	103.83	104.69	105.80
	104.81	104.41	103.79	104.65	105.76
	104.77	104.37	103.75	104.61	105.72
	104.73	104.33	103.71	104.57	105.68
	104.69	104.29	103.67	104.53	105.64
	104.65	104.25	103.63	104.49	105.60
	104.61	104.21	103.59	104.45	105.56
	104.57	104.17	103.55	104.41	105.52
	104.53	104.13	103.51	104.37	105.48
	104.49	104.09	103.47	104.33	105.44
	104.45	104.05	103.43	104.29	105.40
	104.41	104.01	103.39	104.25	105.36
	104.37	103.97	103.35	104.21	105.32
	104.33	103.93	103.31	104.17	105.28
	104.29	103.89	103.27	104.13	105.24
	104.25	103.85	103.23	104.09	105.20
	104.21	103.81	103.19	104.05	105.16
	104.17	103.77	103.15	104.01	105.12
	104.13	103.73	103.11	103.97	105.08
	104.09	103.69	103.07	103.93	105.04
	104.05	103.65	103.03	103.89	105.00
	104.01	103.61	103.00	103.85	104.96
	103.97	103.57	102.96	103.81	104.92
	103.93	103.53	102.92	103.77	104.88
	103.89	103.49	102.88	103.73	104.84
	103.85	103.45	102.84	103.69	104.80
	103.81	103.41	102.80	103.65	104.76
	103.77	103.37	102.76	103.61	104.72
	103.73	103.33	102.72	103.57	104.68
	103.69	103.29	102.68	103.53	104.64
	103.65	103.25	102.64	103.49	104.60
	103.61	103.21	102.60	103.45	104.56
	103.57	103.17	102.56	103.41	104.52
	103.53	103.13	102.52	103.37	104.48
	103.49	103.09	102.48	103.33	104.44
	103.45	103.05	102.44	103.29	104.40
	103.41	103.01	102.40	103.25	104.36
	103.37	102.97	102.36	103.21	104.32
	103.33	102.93	102.32	103.17	104.28
	103.29	102.89	102.28	103.13	104.24
	103.25	102.85	102.24	103.09	104.20
	103.21	102.81	102.20	103.05	104.16
	103.17	102.77	102.16	103.01	104.12
	103.13	102.73	102.12	102.97	104.08
	103.09	102.69	102.08	102.93	104.04
	103.05	102.65	102.04	102.89	104.00
	103.01	102.61	102.00	102.85	103.96
	102.97	102.57	101.96	102.81	103.92
	102.93	102.53	101.92	102.77	103.88
	102.89	102.49	101.88	102.73	103.84
	102.85	102.45	101.84	102.69	103.80

		Aug. 25		Aug. 22		Aug. 21	
W.S.E. ALL COMMON		191c					
Aug. 25	Aug. 21	Aug. 21	Aug. 18	High	Low		
50.12	56.76	56.56	56.06	58.06	55.47		
				(17.2)	(3.5)		
				Issues traded...		1,899	1,885
				Rises		1,159	1,159
				Falls		478	968
				Unchanged		365	371
				New Lows		8	5
						8	5
CENTRAL		191c					
Aug. 25	Aug. 21	Aug. 21	Aug. 18	High	Low		
200.81	200.55	201.14	201.82	201.94	191.64		
200.85	200.55	201.20	201.82	201.92	191.62		
						103.82	104.01

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Company	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391</
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Deu. Don. Inc.	157.5	-0.5	8	6.7	Paroleiro	120	—
Deu. A.B. de	250	—	5.75	—	Sarrin Pantera	58	—
Deu. A.B. de	79	-1	3.9	5.7	Selato	—	—
Deu. A.B. de	79	-1.8	—	—	Sociedade	124	+3
Deu. A.B. de	75.0	-0.5	5	6.7	Telefonia	85	—
Deu. A.B. de	64.0	-0.5	4	—	Torrax Rustench	98	—
Deu. A.B. de	86	+1	6	7.0	Unico	94	—
					Unico Elec.	72.5	-0.75

194	253	+2	10	6.5	Peña (1,000)	60	—
195	144	-6	6.0	4.4	Peña (1,000)	60	—
196	149	—	2	4.1	Gal Precados	77	—
197	300	+2	9.6	3.2	Gal Velazquez (400)	165	—
198	105	—	4	5.8	Madro	79.5	+0.25
199	62.8	-0.5	—	—	Ojeda	85	—
200	395	—	16	4.2	Papaderos Reunidos	130	-2
201					Papaderos	61	—

New York Times

FARMING AND RAW MATERIALS

EEC lifts sugar exports

By Our Commodities Staff
THE EEC COMMISSION yesterday authorised exports of 45,000 tonnes of white sugar, raising to maximum rebate given to 1,849 units of account. This compares with the previous week's figure of 39,250 tonnes authorised for export with a maximum rebate of 25,509 units of account.
Bearing in mind the quantity surplus sugar that the EEC likely to have to sell this week, weekly exports will probably have to be within the 1,000 to 45,000 tonnes range. Nevertheless, the quality authorised by the EEC was slightly above market expectations and helped bring a reaction on an earlier rise.
The December position on the Indian sugar futures market moved 50.75 up to 195.05 a tonne, having traded at 197.25 earlier in the day. The London price for raw sugar was used by 22 to 533 in the morning, reflecting the steadier tone of the market this week.
Official government sources see record Indian sugar cane output of 17.3m tonnes from 3,532m hectares in 1977-78, up from 15.4m in 1976-77, a year ago, according to a U.S. Agriculture Department attaché in New Delhi earlier reported.
Milled sugar output is put at a record 6.5m tonnes, up 34 per cent from 1976-77.
India's sugar stocks on June 30 are 4.55m tonnes, against 2.5m year ago. End of season carry-over stocks are forecast at 5m, used on domestic consumption 4.5m and exports of 650,000 tonnes.

Big Argentine maize crop

By Our Own Correspondent
THE OFFICIAL final estimate of this year's Argentine maize crop is at 16.9 per cent larger than the 1977 crop—17 and 10 per cent, respectively, larger than the average over the last five and ten years.
However, bigger export earnings from the 1978 crop are not expected because of the general quality of the maize added the 510 a ton drop in the price of a ton Buenos Aires, May 1.
The National Grain Board is concerned about the fall in the quality of the maize this year, it is reported that they will introduce soon reforms in the standardisation system of maize.
This year's larger maize crop is estimated at 8.7m, mainly the result of a higher yield per hectare.

Farmers warned as price of potatoes nose-dives

By Christopher Parkes

POTATO PRICES have nosedived in the past week and in the past few days reports have been filed of farmers selling their crops for as little as £14 a tonne.
In real terms this is the lowest price for many years. This time last year prices were generally around £40 a tonne.
The Potato Marketing Board is growing worried and urging growers to hold on to their crops and not to send them to market unless they have a firm buyer in mind.
The board's monitoring services reported a lowest price of £15 a tonne yesterday for Pentlands Javelin, changing hands in Lincolnshire.
The highest price recorded was £40 a tonne for red-skinned varieties, but most range between £20 and £30. The guaranteed price is £25.04 a tonne.
While farmers are earning as little as 3p a pound for their produce, retail prices have remained unchanged at about 4p to 5p a pound in most shops.
The Potato Board says the flood of potatoes on the market has been caused by the pressure on farmers with little or no storage space.
Some have to clear the ground to make room for their autumn plantings of cauliflower and cabbage. Others simply have no room to stock potatoes and are in any case preoccupied with the cereals harvest. And there are those who simply need the cash.
The board has offered a tip to growers without space to store. It suggests that a heap of potatoes can be kept satisfactorily for a short time in the open provided it is protected from the light and the worst of the weather by a covering of straw.
Further difficulties facing potato growers include the present to some extent in almost all parts of the country. Farmers are warned to watch carefully and be ready to burn off the tops of their potato plants—the most effective way of preventing blight disease from rotting the tubers.
Humid weather is blamed for the rapid spread of blight after

a remarkably disease-free start to the growing season, and the rain is also blamed for the threat of a glut of over-sized potatoes.
Tubers are swelling rapidly and growers have been reminded that standards do not permit the marketing of maincrop potatoes more than 61 in long and 3.15 in diameter.
The Ministry of Agriculture said that most potato growers should now have received some notification of the market support measures announced by the Government on August 8.
The Government, expecting a surplus of 300,000 tonnes of potatoes this year, is offering to buy 10 per cent of every registered producer's crop, but this has not yet had time to have any effect on the market.
Potatoes bought under such support involve the farmer in a contract to sell the crop in the season when the true supply-demand picture can be assessed.
Then they may be released back on to the market for human consumption, sold cheaply to processors, fed to livestock, or destroyed.

At present the ICA "floor" price is 77.45 cents a pound and Coffee Organisation indicator prices range between 134 cents a pound (Robusta) and 181 cents a pound (Columbian Arabica). The indicator price for Brazilian unwashed Arabica is 145.5 cents a pound.
Sr. Calazans told the Bogota meeting that the price range for producers and fair to consumers. He also favoured the "rapid establishment" of an international coffee reserve fund through which prices could be regulated. "Consumer countries must share with producers in the cost of establishing the fund," he added.
The Colombian finance minister, Jaime Garcia Parra, also called for producer involvement in price stabilisation.
"We believe that lack of co-operation between producers and consumers in running coffee policies would be bad for both sides," he said. Colombia was opposed to major fluctuations in coffee prices. "Spectacular price increases lead to lower consumption, nobody benefits," he declared.

Brazil crop fears boost coffee

By Richard Mooney

COFFEE PRICES on the London futures market rose to their highest level since the end of June yesterday, encouraged by what dealers saw as "alarmist" reports of Brazilian frost damage.
They said the rise, which lifted November delivery Robusta coffee 255 to 258, was also partly due to producer demands for a higher International Coffee Agreement "floor" price and continued nervousness about the African supply situation following the death of President Jomo Kenyatta of Kenya.
Sr. Camillo Calazans, president of the Brazilian Coffee Institute, told a coffee producers' meeting in Bogota yesterday that last week's frost had cut the institute's estimate of the 1978-79 Brazilian crop to 16m-17m bags (60 kilos) each.
London dealers commented that such an estimate must be based on little more than guesswork at this stage. They said it would be several weeks before any reliable estimate of frost damage would be available. But few actually argued with the figure.

Where they did disagree profoundly with the ICA position, however, was on the extent of the frost damage indicated by the new estimate. Sr. Calazans has chosen to compare the new figure with an earlier estimate putting next season's crop at 25m bags, indicating frost damage of 50 or 90 bags. But the dealers claim they had never before heard this 25m bags crop figure quoted. Most had been working on a 1978-79 figure of 20m-22m bags.
Such considerations are obviously largely academic but the London dealers pointed out that a 36 per cent crop loss sounded far more alarming than a 27 per cent loss even when both figures result in the same crop estimate. And many felt that even the lower percentage grossly overstated last week's frost damage. Some traders put the damage at 2m bags, representing a loss of only nine per cent.
Sr. Calazans added further to the upward pressure on the market by proposing that the price support range in the International Coffee Agreement should be raised to \$150-220 a pound.

The inflow of supplies has been restricted by delays in shipments from Zaire, Zambia and now Peru, which has forced merchants and consumers to draw on LME stocks too. This tightening of available supplies, with merchants tending to hold on to stocks, has given the market a firm underfoot.
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Strong rise in copper market

By John Edwards, Commodities Editor

COPPER PRICES moved up strongly on the London Metal Exchange yesterday, encouraging higher values for lead and zinc too.
Copper cash wirebars gained £10.5 to £70.5 a tonne, cash lead was £10.5 higher at £235.25 and zinc was 5.5 up at £231.
The continuation of the Peruvian miners' strike, currency fluctuations, and a higher trend on the New York copper market all helped to lift London prices.
A feature of the market was the continued narrowing of the discount of the cash wirebars price to the three months quotation. The gap (contango) narrowed to £13.75 at the close yesterday compared with £16.75 at the end of last week.
Dealers claim that this narrowing is caused by the reluctance of holders of copper stocks to "lend" them to the market by selling cash and buying an equivalent amount forward. Although LME warehouse stocks of copper still total a massive 460,000 tonnes, there has been a considerable outflow in recent months and further substantial shipments out are being forecast to meet some heavy buying by Far Eastern countries, notably Japan.
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ORANGE JUICE

Brazil aiming for new export record

By Sue Branford in Sao Paulo

ALTHOUGH MANY consumers do not know it, the chances are that the orange juice you sip with your lunch in any European city comes from Brazil. For this South American country now accounts for four-fifths of world exports of concentrated unsweetened orange juice.
The US is still, in fact, a larger producer, but most of its juice is drunk locally by the rich, vitamin C-conscious Americans. On the other hand, Brazil, which is still a poor country despite recent growth, sends 80 per cent of its juice abroad. While many Brazilians frequently squeeze oranges to make a drink, very few have ever tried canned fruit juice.
With the support of generous export incentives, Brazil's manufacturers have reached this dominant position in the world market in a relatively short period. In 1970, Brazil sold \$33,000 tonnes worth of juice. Last year its sales reached 213,500 tonnes, bringing in record export earnings of \$177m.
Last year's high prices, which were 75 per cent up on the average level in 1976, were partly the result of frosts in Florida in January 1977, which brought fears of a serious world-wide shortage.
The rocketing prices cut down the increase in world consumption, which had been growing at a remarkable 20 per cent per annum, to a more moderate three to four per cent.
Nonetheless, thanks to good early year sales at the end of Brazil's 1977-78 orange harvest, exports will undoubtedly top \$200m this year, with Brazil increasing its share of world trade to about 80 per cent.
Local manufacturers are determined to maintain this position. They are not concerned about competition from the U.S. or Israel, which cannot match Brazil's low costs. In fact, most of the juice recently moved away from juice into canned oranges and other more sophisticated orange products.
In the longer term, the main threat, Brazil believes, comes from Cuba, which has recently greatly increased its orange tree plantations and is setting up modern crushing plants, equipped with U.S. machinery. At present Cuba is selling mainly to Eastern Europe.
But the recent growth in this sector in Brazil has not been problem-free. Five years ago, there were eight crushing plants, although six of them were in a

shaky financial situation which was aggravated by falling world prices. All eight were situated in the state of Sao Paulo, which is responsible for about 70 per cent of Brazil's orange production.
Italian Sanderson do Brasil was the first to go, announcing bankruptcy in 1974. It was unexpectedly taken over by the Sao Paulo state Government in view of the serious social problems faced by the several thousand farmers dependent on Sanderson as an outlet for their oranges. A new company—Frutep—was formed.
Last year, the process of concentration speeded up greatly. The two biggest companies—Citral and Citrosuco—made an agreement to work closely together and between them bought up three of the Citrusus.
Citrosuco, a Citral subsidiary, was not absorbed by this powerful group because Citral made an offer first. Now, three groups—Frutep, Citral-Citrosuco and Citral—effectively control the industry.

Even so, the recent purchase of Citral by Citrosuco, Mr. Jose Luiz Citral, owner of Citrosuco, was already believed to be the largest orange farmer in the world, with his 5m orange trees. His policy is being fiercely criticised by the independent orange farmers who consider their livelihood to be threatened.
Apart from management skill, Brazil's success story as juice exporter is also due to the country's natural advantages for orange production, which enable it to keep costs low. The state of Sao Paulo grows 10 or 11 different varieties of oranges, which ripen at different periods of the year.
Manufacturers, however, are not quietly waiting for the market to grow, but taking steps to stimulate it. Citral has formed a 50-50 joint venture with Coca-Cola to set up a plant for long-life reconstituted and concentrated orange juice, ready to be retailed in 200 mg and 1 litre cardboard packs.
With a total investment of \$15m over three years, the manufacturers are looking mainly at the African and Middle East markets where both refrigerated storage facilities and good-quality water are in short supply.

Success

The most remarkable success story has undoubtedly been Frutep, which, although state-owned, has been run on modern, professional lines since the takeover. In an unusual departure, a group of experienced, hard-headed businessmen was given carte blanche to put the enterprise back on its feet.
Although great changes had to be pushed through in both factory and financial management, the venture has been a great success. According to Mr. George Pikieli, Frutep's commercial director, juice production has risen from 3,000 tonnes in the 1975-76 harvest year, to 31,000 tonnes in 1977-78 and this year to an estimated 40,000 tonnes, which is the plant's full capacity.
Moreover, Frutep formed a co-operative with 5,000 orange farmers in the region around Bebedouro, in the interior of the state of Sao Paulo where the factory is situated.
Members have been allowed increasing participation in management. In an unprecedented step last year, they were given a bonus out of the exceptionally good profits of Cr\$ 5 (25p), over and above the fixed price of Cr\$ 28 (90p), for each box of oranges sold to the factory.
As the crowning point of the

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As the crowning point of the

Danes land banned cod

HANSTHOLM, DENMARK, August 23

DANISH FISHERMEN started to land and sell North Sea cod here and in other west coast ports today but faced Government seizure of profits for ignoring a catch ban that went into force on Monday.
Fishermen inspectors did not intervene when the illicit cod was brought ashore and went up for auction at the fish market here. But a spokesman for the fisheries ministry in Copenhagen said that the proceeds would be confiscated.
The ministry said that the cod ban, announced last week in a bid to conserve North Sea stocks, was misunderstood by many fishermen. The midnight Monday deadline applied strictly to landing fish, not catching it, the spokesman said.
Reuters

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

Commodity	Unit	Price	Change
Aluminium	tonne	750.10	+10
Copper	tonne	765.45	+10
Lead	tonne	740.60	+10
Nickel	tonne	730.40	+10
Platinum	ounce	750.10	+10
Silver	ounce	765.45	+10
Gold	ounce	740.60	+10

Index Limited 01-351 3468. Three month Gold 204.2-206.2. London Road, London SW10 0HS.
1. Tax-free trading on commodity futures.
2. The commodity futures market for the smaller investor.

COMPANY NOTICES

NOTICE IS HEREBY GIVEN that the annual general meeting of the company will be held at 11.00 a.m. on Wednesday, 28th August 1978, at the company's registered office, 25 Abchurch Lane, London EC4N 3DF, for the purpose of considering and voting on the following resolutions:
1. To receive the accounts and the report of the directors and the auditors for the year ended 31st March 1978.
2. To elect directors in place of those retiring.
3. To elect auditors.
4. To authorise the directors to do all such acts and things as they may think fit to do in connection with the business of the company.
By Order of the Board, M. G. GATES, Secretary.

PERSONAL

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EXHIBITIONS

S. GALLERIES, 26, Colindale Ave., W.11
Art Club and Society Members
Daily 10.30-5.30, Sat. 10.30-12.30

COFFEE

Commodity	Unit	Price	Change
Arabica	tonne	125.00	+10
Robusta	tonne	110.00	+10
High Grade	tonne	125.00	+10
Standard	tonne	110.00	+10

GRAINS

Commodity	Unit	Price	Change
Wheat	tonne	125.00	+10
Barley	tonne	110.00	+10
Oats	tonne	100.00	+10

WOOL FUTURES

Commodity	Unit	Price	Change
Wool	tonne	125.00	+10

MEAT/VEGETABLES

Commodity	Unit	Price	Change
Meat	tonne	125.00	+10
Vegetables	tonne	110.00	+10

RUBBER

Commodity	Unit	Price	Change
Rubber	tonne	125.00	+10

SUGAR

Commodity	Unit	Price	Change
Sugar	tonne	125.00	+10

COCOA

Commodity	Unit	Price	Change
Cocoa	tonne	125.00	+10

PRICE CHANGES

Commodity	Unit	Price	Change
Aluminium	tonne	750.10	+10
Copper	tonne	765.45	+10
Lead	tonne	740.60	+10
Nickel	tonne	730.40	+10
Platinum	ounce	750.10	+10
Silver	ounce	765.45	+10
Gold	ounce	740.60	+10

U.S. Markets

Commodity	Unit	Price	Change
Aluminium	tonne	750.10	+10
Copper	tonne	765.45	+10
Lead	tonne	740.60	+10
Nickel	tonne	730.40	+10
Platinum	ounce	750.10	+10
Silver	ounce	765.45	+10
Gold	ounce	740.60	+10

Aluminium futures not justified

NEW YORK, August 23. THERE IS NO justification for futures trading in aluminium, according to Mr. W. H. Krome, George, chairman of Alcoa, the world's biggest aluminium producer.
Mr. George, commenting on the news that the London Metal Exchange will begin aluminium contracts, wondered how a futures market could be created for a metal which had hundreds of specifications.
"Also, the aluminium that would be traded would be very narrow in terms of the percentage of the total metal traded in open markets," Mr. George said. "Having traders speculate in a small percentage of the metal is always destabilising."

INDIA CONTROLS CHROME EXPORTS

NEW DELHI, August 23. The export of chrome ores and concentrates from India will be channelled only through the state-owned Minerals and Metals Trading Corporation, an official notification said today.
The order, which came into effect immediately, said exports would be allowed within a limited ceiling in respect of certain specified grades, but gave no reason for the move.
Reuters

REUTERS

Commodity	Unit	Price	Change
Aluminium	tonne	750.10	+10
Copper	tonne	765.45	+10
Lead	tonne	740.60	+10
Nickel	tonne	730.40	+10
Platinum	ounce	750.10	+10
Silver	ounce	765.45	+10
Gold	ounce	740.60	+10

DOW JONES

Commodity	Unit	Price	Change
Aluminium	tonne	750.10	+10
Copper	tonne	765.45	+10
Lead	tonne	740.60	+10
Nickel	tonne	730.40	+10
Platinum	ounce	750.10	+10
Silver	ounce	765.45	+10
Gold	ounce	740.60	+10

MOODY'S

Commodity	Unit	Price	Change
Aluminium	tonne	750.10	+10
Copper	tonne	765.45	+10
Lead	tonne	740.60	+10
Nickel	tonne	730.40	+10
Platinum	ounce	750.10	+10
Silver	ounce	765.45	+10
Gold	ounce	740.60	+10

REUTERS

Commodity	Unit	Price	Change
Aluminium	tonne	750.10	+10
Copper	tonne	765.45	+10
Lead	tonne	740.60	+10
Nickel	tonne	730.40	+10
Platinum	ounce	750.10	+10
Silver	ounce	765.45	+10
Gold	ounce	740.60	+10

DOW JONES

Commodity	Unit	Price	Change
Aluminium	tonne	750.10	+10
Copper	tonne	765.45	+10
Lead	tonne	740.60	+10
Nickel	tonne	730.40	+10
Platinum	ounce	750.10	+10
Silver	ounce	765.45	+10
Gold	ounce	740.60	+10

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Gold	ounce	740.60	+10

STOCK EXCHANGE REPORT

Equities eventually succumb to public profit-taking
Gold shares weaken sharply as bullion price falls

Account Dealing Dates

*First Declared Last Account
Aug. 7 Aug. 18 Aug. 30
Aug. 21 Aug. 31 Sep. 1 Sep. 12
Sep. 4 Sep. 14 Sep. 26

** New time "dealings may take place
from 1.30 am. two business days earlier.

The recent upsurge in leading
Industrials faltered yesterday on
more persistent profit-taking sales
from public holders, but the
majority of secondary issues made
further progress. South African
Gold shares, however, were beset
by news that the U.S. intended
from November to double the
amount of gold for sale at the
monthly auction; this in turn
caused a sharp lowering in the
bullion price.

A feeling of caution was evident
immediately dealings began in
the equity leaders. ICI, in
particular, attracted many modest
sales, most of which were ultimately
absorbed by institutional
interest at slightly lower limits.
Selective large deals also took
place in other quality stocks without
too much disturbance of
market levels and for a while the
tendency appeared to settle.

Late in the day, fresh eagerness
developed on disposition by
jobbers to tentatively lower
values because of buyers' late
reservations. The FT Industrial
Ordinary share index, after being
a mere 0.2 off at the noon calculation,
finally surrendered Tuesday's
gain of four points to close
at 518.2.

Earlier, business in second-line
issues had continued on a "reason-
able scale with good features
occurring in situation stocks and
in companies reporting trading
announcements. The Oil section
especially benefited from reports
that Saudi Arabia was opposed to
any fresh increase in the price
of crude oil.

Good shares fountained on the
unexpected U.S. move and closed
only marginally above the day's
worst. The bullion price fell \$61
to \$200.1, while the FT Gold Mines
index gave up 7.2 to 175.2 for a
loss of 3.4 in the past seven
trading sessions.

Unaffected by the surrounding
events, British Funds traded
quietly and closed with little
change after having been slightly
easier. Corporations, too, were in-
active and recorded scattered
changes either way.

Renewed arbitrage and institutional
selling again made its mark
on the investment currency
premium which, in the absence of
any worthwhile support, settled
at the day's low of 98.1 per cent,
down a point on balance. Yesterday's
SE conversion factor was
0.6798 (0.6737).

Another active day in the
Traded Options market saw 899
contracts completed by the close.
Nearly 60 per cent of these were
transacted in three stocks with
Cons Gold particularly active, re-
cording 313 contracts, 133 in the
January 200 series; prices of its

October 180 and January 180
series lost 8.1 to 30.3p and 6 to 33p
respectively. ICI continued to
attract a good demand ahead of
the interim results on September
7 and closed with 178 contracts
done, while BP had 131; prices of
the latter's October 750 and 800
series declined 13 to 181p and 14
to 132p respectively.

Home Banks easier

The major clearing banks
drifted lower on lack of support.
Lloyds, 270p, and Midland, 360p,
lost 8 apiece, while Barclays
cheapened 5 to 353p as did
NatWest, to 275p. Elsewhere, still
adjusting to the 1 per cent reduction
in South African bank rates,
Standard Chartered improved 10
more to 432p, while Hong Kong
and Shanghai rallied 4 to 344p on
further consideration of the
interim results. Commercial Bank
of India firmed 31 points to 270p.

Interest in the Building sector
slackened noticeably and the
majority of the day's movements
were limited to a few pence either
way. London Brick, a firm market
of late, came back 31 to 751p
following the half-year results.
Leasing Contractors issues to
give ground after the recent good
run up included Taylor Woodrow,
446p, and R. Gosselin, 234p, both
down 4. By way of contrast,
Brown and Jackson encountered
further demand at 188p, up 6,
while Travis and Arnold were also
wanted and improved a
similar amount to 157p.

ICI closed 4 cheaper at 408p,
but persistent small selling
throughout the day was fairly
easily absorbed. Elsewhere in
Chemicals, recent Press mention
continued to stimulate interest in
Coalite, which advanced 4 more
to 79p, while Yorkshire came to
lie with a similar gain at 104p.
Blagden and Noakes continued to
reflect disappointment with the
preliminary results and eased 3
further to 260p.

House of Fraser down

Nervous offerings in front of
today's interim results brought
about a reaction of 10 to 108p in
House of Fraser. Other retail
leaders eased slightly. Elsewhere,
profit-taking after the recent rise
on bid hopes left James Walker 4
off at 188p and the J.V. 3 lower at
44p, while Bourns and Holdings
went up 3 to 280p for a similar
reason. H. Samuel A, how-
ever, revived with a gain of 6 to
192p. Church put on 4 more to
191p following renewed demand
at the day's low of 181 per cent,
down a point on balance. Yesterday's
SE conversion factor was
0.6798 (0.6737).

Campbell and Isherwood rose
8 to 149p in Electricals, while re-
newed support in thin markets
lifted Louis Newmark 13 to 223p
and United Scientific a further 18
to 325p. Lee Refrigeration edged
forward a penny to 78p, while
today's interim report was
Philips Lamp put on 20 to 980p.
Against the trend, Brooks eased

2 to 60p on second thoughts about
the half-year statement.

Profit-taking continued in John
Brown after the recent good rise
on hopes of a bid from Hawker
and prompted a further reaction
of 6 to 472p, after 468p. Other
Engineering leaders were quietly
dull with Hawker 4 lower at 244p
and Tubes a like amount easier
at 432p. Secondary issues were
feature by a fresh leap of 23
to 235p in Victor Products (Wall-
send) in response to the higher

day gain of 7 to 35p on the pre-
liminary figures.

Having risen 12 the previous
day on good demand, Rank
Organisation were standing steady
to 340p, while News International
closed 3 cheaper at 278p, against
the trend, United firmed 5 to a
peak for the year of 382p.

A much quieter day in the
Property sector was featured by a
jump of 20p to 256p in McKay
Securities in response to the pro-
perty valuation which accom-
panied the annual results. Else-
where, Chesterfield were note-
worthy for a rise of 7 at 337p,
while fresh interest was shown
in Bellway, 21 dearer at 74p. On
the other hand, the falls of 10
were noted against Bradford, 263p,
and Property and Reversionary
"A", 315p. Dealings were tempo-
rarily suspended in Glanfield
Securities at 305p; the company
announced that the directors
were taking place which may
lead to an offer for the
shares.

Oils continue firmly

Encouraged by a report that
Saudi Arabia intends to hold oil
prices until the end of the year,
oil shares continued to trade
firmly but final quotations were
again well below the best. British
Petroleum were actively traded
and touched 920p before settling
at 918p on balance. Good
sentiment here also being helped
by the company's decision to
include Sohio's income on a fully
consolidated basis in the group's
results. Shell were also a lively
market, but closed only 3 dearer
at 603p. Elsewhere,
fading bid hopes continued to
depress Siebens (UK) which
closed 12p lower at 378p. Tri-
continental however, firmed 4 to
182p and Lasso OPE up 5 more to
335p.

Ocean Wilsons figured promi-
nently in Overseas Traders, rising
6 to 91p as investment demand
revived. James Finlay continued
to fall a like amount to
111p on concern about the future
of the company's Kenyan
interests.

Investment Trusts remained
nervous and prices rarely
moved more than a penny or two
from the opening levels. In Finan-
cials, Challenge Corp. hardened
2 to 142p on the preliminary
figures and capitalisation pro-
posal.

Textiles were noteworthy only
for renewed speculative interest
in Dawson International, the
ordinary and A both closing 3
better at 151p and 150p
respectively.

Guthrie featured late in Plan-
tations, closing 35 higher at 400p,
while Consolidated Plantations
were active and 25 better at 50p.

Heavy falls in Golds

News that the U.S. Treasury
is to more than double the
amount of gold on sale at its

monthly auctions from November
caused the bullion price to drop
below the \$200 level to \$198.35
before picking up slightly to close
\$6.25 down at \$200.375 per ounce
and prompted widespread and
heavy falls in South African Golds.

The Gold Mines index dropped
7.2 to 175.2, its lowest level for
nearly a month.

Share prices were marked
down heavily at the outset, rallied
modestly on bear covering then
dropped afresh before closing a
shade above the day's lowest
level.

Heavyweights bore the brunt of
some substantial overnight U.S.
selling with Randfontein finally
221 down at 337p, West Driefontein,
231, Free State Geduld,
218, and Western Holdings, 211,
all around a point off and Hart-
beest 1 cheaper at 113. Among
lower-priced stocks Doornfontein
fell 23 to 333p and Venterspost
16 to 22p.

South African Financials
mirrored the trend in Golds. De
Beers also suffered from profit-
taking following the half-year
results with the shares falling to
426p before finishing a net 25
down at 429p. Issues with large
holdings in De Beers also fell.

Anglo American Corporation
giving up 20 to 338p, after 359p,
and Anglo American Investment
Trust closing 11 down at 565p.
Trust gave up 12 to 155p, the
price affected sentiment in Lon-
don-based Financials. Gold Fields
declined 8 to 185p, while Sele-
ction Trust gave up 12 to 450p and
Charter 3 to 155p.

The platinum price fell in line
with gold and depressed platinum
shares. Rustenburg closed 4 off
at 102p and Bishopsgate 3 earlier
at 102p.

Australians were quietly mixed
reflecting the lack of direction in
overnight Sydney and Melbourne
markets.

On the other hand, the return
to profitability prompted a rise of
10 to 320p in Consolidated Gold
Fields Australia.

Elsewhere offerings from the
Cape lowered Consolidated Mur-
chison by 10 to 235p.

Colt Cars offer
payment scheme

THE Colt Car Company, of
Greencroft, in conjunction with
the United Dominion Trust, has
introduced a scheme whereby
dealers may pay for cars held
in stock only when they are sold.

The scheme will enable dealers
to order stock in the normal way
and, on delivery, it is invoiced
to UDT on 180 day consignment.
The dealer may accept the stock
at any time he chooses or at
time of sale, or at 180 days,
whichever is sooner. Interest is
charged at 35p per £1,000 per day.

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time of sale, or at 180 days,
whichever is sooner. Interest is
charged at 35p per £1,000 per day.

ACTIVE STOCKS

Stock	Denomina- tion	No. of shares	Closing price (p)	Change on day	1978 high	1978 low
BP	25	25	280	+ 8	294	226
Bank of America	25	15	280	+ 3	294	226
Bank of India	25	15	280	+ 3	294	226
Bank of China	25	15	280	+ 3	294	226
Bank of Communications	25	15	280	+ 3	294	226
Bank of East Africa	25	15	280	+ 3	294	226
Bank of India	25	15	280	+ 3	294	226
Bank of China	25	15	280	+ 3	294	226
Bank of Communications	25	15	280	+ 3	294	226
Bank of East Africa	25	15	280	+ 3	294	226

RECENT ISSUES

Issue	Amount £m	Price p	1978 High	1978 Low	1978 Closing
BP	100	280	294	226	280
Bank of America	100	280	294	226	280
Bank of India	100	280	294	226	280
Bank of China	100	280	294	226	280
Bank of Communications	100	280	294	226	280
Bank of East Africa	100	280	294	226	280
Bank of India	100	280	294	226	280
Bank of China	100	280	294	226	280
Bank of Communications	100	280	294	226	280
Bank of East Africa	100	280	294	226	280

EQUITIES

Issue	Amount £m	Price p	1978 High	1978 Low	1978 Closing
BP	100	280	294	226	280
Bank of America	100	280	294	226	280
Bank of India	100	280	294	226	280
Bank of China	100	280	294	226	280
Bank of Communications	100	280	294	226	280
Bank of East Africa	100	280	294	226	280
Bank of India	100	280	294	226	280
Bank of China	100	280	294	226	280
Bank of Communications	100	280	294	226	280
Bank of East Africa	100	280	294	226	280

FIXED INTEREST STOCKS

Issue	Amount £m	Price p	1978 High	1978 Low	1978 Closing
BP	100	280	294	226	280
Bank of America	100	280	294	226	280
Bank of India	100	280	294	226	280
Bank of China	100	280	294	226	280
Bank of Communications	100	280	294	226	280
Bank of East Africa	100	280	294	226	280
Bank of India	100	280	294	226	280
Bank of China	100	280	294	226	280
Bank of Communications	100	280	294	226	280
Bank of East Africa	100	280	294	226	280

"RIGHTS" OFFERS

Issue	Amount £m	Price p	1978 High	1978 Low	1978 Closing
BP	100	280	294	226	280
Bank of America	100	280	294	226	280
Bank of India	100	280	294	226	280
Bank of China	100	280	294	226	280
Bank of Communications	100	280	294	226	280
Bank of East Africa	100	280	294	226	280
Bank of India	100	280	294	226	280
Bank of China	100	280	294	226	280
Bank of Communications	100	280	294	226	280
Bank of East Africa	100	280	294	226	280

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries
and the Faculty of Actuaries

EQUITY GROUPS

Figures in parentheses show number of
stocks per section

Index No.	1978 High	1978 Low	1978 Closing	1978 Change	1978 YTD
1	247.74	15.51	15.51	8.88	240.95
2	225.42	15.52	15.52	8.88	220.95
3	210.68	15.53	15.53	8.88	205.95
4	200.68	15.54	15.54	8.88	195.95
5	190.68	15.55	15.55	8.88	185.95

FIXED INTEREST PRICE INDICES

By Govt. Act. Gross Red.

Index No.	1978 High	1978 Low	1978 Closing	1978 Change	1978 YTD
1	100.00	100.00	100.00	0.00	100.00
2	100.00	100.00	100.00	0.00	100.00
3	100.00	100.00	100.00	0.00	100.00
4	100.00	100.00	100.00	0.00	100.00
5	100.00	100.00	100.00	0.00	100.00

FIXED INTEREST YIELDS

By Govt. Act. Gross Red.

don-based financials. Some prices declined 8 to 185p, while Selection Trust gave up 12 to 450p and Charter 3 to 155p.

The platinum price fell in line

1637

[illegible]

Charterhouse Japhet		Price at August 18. Next Meeting August 21.	
1, Paternoster Row, E.C.4		01-248 3990	
Adriops	1943/60	32.20	+0.10 4.75
Adriopba	1944/10	31.60	+0.20 4.50

Richmond Life Ass. Ltd.
48, Athol Street, Douglas, D.O.

[illegible]

INSURANCE BASE RATES
 *Property Growth 10 1/2%
 1*unbrugh Guarantees 9%
 *Address: shown under Insurance and Property Bond Table.

INDUSTRIALS—Continued

Stock	Price	Div.	Yield	Vol.
British Airways	125.00	1.50	1.20	100
British Petroleum	110.00	1.20	1.10	150
British Telecom	100.00	1.00	1.00	120
British Overseas Airways	90.00	0.80	0.90	80
British Airways (A)	80.00	0.60	0.75	60
British Airways (B)	70.00	0.40	0.50	40
British Airways (C)	60.00	0.20	0.30	20
British Airways (D)	50.00	0.10	0.15	10
British Airways (E)	40.00	0.05	0.10	5
British Airways (F)	30.00	0.02	0.05	2

INSURANCE—Continued

Stock	Price	Div.	Yield	Vol.
Aviva	120.00	1.00	0.80	100
Aviva (A)	110.00	0.80	0.70	80
Aviva (B)	100.00	0.60	0.60	60
Aviva (C)	90.00	0.40	0.45	40
Aviva (D)	80.00	0.20	0.25	20
Aviva (E)	70.00	0.10	0.15	10
Aviva (F)	60.00	0.05	0.08	5
Aviva (G)	50.00	0.02	0.04	2
Aviva (H)	40.00	0.01	0.02	1
Aviva (I)	30.00	0.00	0.00	0

PROPERTY—Continued

Stock	Price	Div.	Yield	Vol.
British Land	120.00	1.00	0.80	100
British Land (A)	110.00	0.80	0.70	80
British Land (B)	100.00	0.60	0.60	60
British Land (C)	90.00	0.40	0.45	40
British Land (D)	80.00	0.20	0.25	20
British Land (E)	70.00	0.10	0.15	10
British Land (F)	60.00	0.05	0.08	5
British Land (G)	50.00	0.02	0.04	2
British Land (H)	40.00	0.01	0.02	1
British Land (I)	30.00	0.00	0.00	0

INV. TRUSTS—Continued

Stock	Price	Div.	Yield	Vol.
British Overseas	120.00	1.00	0.80	100
British Overseas (A)	110.00	0.80	0.70	80
British Overseas (B)	100.00	0.60	0.60	60
British Overseas (C)	90.00	0.40	0.45	40
British Overseas (D)	80.00	0.20	0.25	20
British Overseas (E)	70.00	0.10	0.15	10
British Overseas (F)	60.00	0.05	0.08	5
British Overseas (G)	50.00	0.02	0.04	2
British Overseas (H)	40.00	0.01	0.02	1
British Overseas (I)	30.00	0.00	0.00	0

FINANCE, LAND—Continued

Stock	Price	Div.	Yield	Vol.
British Finance	120.00	1.00	0.80	100
British Finance (A)	110.00	0.80	0.70	80
British Finance (B)	100.00	0.60	0.60	60
British Finance (C)	90.00	0.40	0.45	40
British Finance (D)	80.00	0.20	0.25	20
British Finance (E)	70.00	0.10	0.15	10
British Finance (F)	60.00	0.05	0.08	5
British Finance (G)	50.00	0.02	0.04	2
British Finance (H)	40.00	0.01	0.02	1
British Finance (I)	30.00	0.00	0.00	0

OKASAN SECURITIES CO. LTD.
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Stock	Price	Div.	Yield	Vol.
Central African	120.00	1.00	0.80	100
Central African (A)	110.00	0.80	0.70	80
Central African (B)	100.00	0.60	0.60	60
Central African (C)	90.00	0.40	0.45	40
Central African (D)	80.00	0.20	0.25	20
Central African (E)	70.00	0.10	0.15	10
Central African (F)	60.00	0.05	0.08	5
Central African (G)	50.00	0.02	0.04	2
Central African (H)	40.00	0.01	0.02	1
Central African (I)	30.00	0.00	0.00	0

Stock	Price	Div.	Yield	Vol.
Australian	120.00	1.00	0.80	100
Australian (A)	110.00	0.80	0.70	80
Australian (B)	100.00	0.60	0.60	60
Australian (C)	90.00	0.40	0.45	40
Australian (D)	80.00	0.20	0.25	20
Australian (E)	70.00	0.10	0.15	10
Australian (F)	60.00	0.05	0.08	5
Australian (G)	50.00	0.02	0.04	2
Australian (H)	40.00	0.01	0.02	1
Australian (I)	30.00	0.00	0.00	0

Stock	Price	Div.	Yield	Vol.
Tins	120.00	1.00	0.80	100
Tins (A)	110.00	0.80	0.70	80
Tins (B)	100.00	0.60	0.60	60
Tins (C)	90.00	0.40	0.45	40
Tins (D)	80.00	0.20	0.25	20
Tins (E)	70.00	0.10	0.15	10
Tins (F)	60.00	0.05	0.08	5
Tins (G)	50.00	0.02	0.04	2
Tins (H)	40.00	0.01	0.02	1
Tins (I)	30.00	0.00	0.00	0

Stock	Price	Div.	Yield	Vol.
Overseas Traders	120.00	1.00	0.80	100
Overseas Traders (A)	110.00	0.80	0.70	80
Overseas Traders (B)	100.00	0.60	0.60	60
Overseas Traders (C)	90.00	0.40	0.45	40
Overseas Traders (D)	80.00	0.20	0.25	20
Overseas Traders (E)	70.00	0.10	0.15	10
Overseas Traders (F)	60.00	0.05	0.08	5
Overseas Traders (G)	50.00	0.02	0.04	2
Overseas Traders (H)	40.00	0.01	0.02	1
Overseas Traders (I)	30.00	0.00	0.00	0

Stock	Price	Div.	Yield	Vol.
Copper	120.00	1.00	0.80	100
Copper (A)	110.00	0.80	0.70	80
Copper (B)	100.00	0.60	0.60	60
Copper (C)	90.00	0.40	0.45	40
Copper (D)	80.00	0.20	0.25	20
Copper (E)	70.00	0.10	0.15	10
Copper (F)	60.00	0.05	0.08	5
Copper (G)	50.00	0.02	0.04	2
Copper (H)	40.00	0.01	0.02	1
Copper (I)	30.00	0.00	0.00	0

Stock	Price	Div.	Yield	Vol.
Miscellaneous	120.00	1.00	0.80	100
Miscellaneous (A)	110.00	0.80	0.70	80
Miscellaneous (B)	100.00	0.60	0.60	60
Miscellaneous (C)	90.00	0.40	0.45	40
Miscellaneous (D)	80.00	0.20	0.25	20
Miscellaneous (E)	70.00	0.10	0.15	10
Miscellaneous (F)	60.00	0.05	0.08	5
Miscellaneous (G)	50.00	0.02	0.04	2
Miscellaneous (H)	40.00	0.01	0.02	1
Miscellaneous (I)	30.00	0.00	0.00	0

Stock	Price	Div.	Yield	Vol.
Rubbers and Sisals	120.00	1.00	0.80	100
Rubbers and Sisals (A)	110.00	0.80	0.70	80
Rubbers and Sisals (B)	100.00	0.60	0.60	60
Rubbers and Sisals (C)	90.00	0.40	0.45	40
Rubbers and Sisals (D)	80.00	0.20	0.25	20
Rubbers and Sisals (E)	70.00	0.10	0.15	10
Rubbers and Sisals (F)	60.00	0.05	0.08	5
Rubbers and Sisals (G)	50.00	0.02	0.04	2
Rubbers and Sisals (H)	40.00	0.01	0.02	1
Rubbers and Sisals (I)	30.00	0.00	0.00	0

Stock	Price	Div.	Yield	Vol.
TEAS	120.00	1.00	0.80	100
TEAS (A)	110.00	0.80	0.70	80
TEAS (B)	100.00	0.60	0.60	60
TEAS (C)	90.00	0.40	0.45	40
TEAS (D)	80.00	0.20	0.25	20
TEAS (E)	70.00	0.10	0.15	10
TEAS (F)	60.00	0.05	0.08	5
TEAS (G)	50.00	0.02	0.04	2
TEAS (H)	40.00	0.01	0.02	1
TEAS (I)	30.00	0.00	0.00	0

Stock	Price	Div.	Yield	Vol.
India and Bangladesh	120.00	1.00	0.80	100
India and Bangladesh (A)	110.00	0.80	0.70	80
India and Bangladesh (B)	100.00	0.60	0.60	60
India and Bangladesh (C)	90.00	0.40	0.45	40
India and Bangladesh (D)	80.00	0.20	0.25	20
India and Bangladesh (E)	70.00	0.10	0.15	10
India and Bangladesh (F)	60.00	0.05	0.08	5
India and Bangladesh (G)	50.00	0.02	0.04	2
India and Bangladesh (H)	40.00	0.01	0.02	1
India and Bangladesh (I)	30.00	0.00	0.00	0

Stock	Price	Div.	Yield	Vol.
Sri Lanka	120.00	1.00	0.80	100
Sri Lanka (A)	110.00	0.80	0.70	80
Sri Lanka (B)	100.00	0.60	0.60	60
Sri Lanka (C)	90.00	0.40	0.45	40
Sri Lanka (D)	80.00	0.20	0.25	20
Sri Lanka (E)	70.00	0.10	0.15	10
Sri Lanka (F)	60.00	0.05	0.08	5
Sri Lanka (G)	50.00	0.02	0.04	2
Sri Lanka (H)	40.00	0.01	0.02	1
Sri Lanka (I)	30.00	0.00	0.00	0

Stock	Price	Div.	Yield	Vol.
Central Rand	120.00	1.00	0.80	100
Central Rand (A)	110.00	0.80	0.70	80
Central Rand (B)	100.00	0.60	0.60	60
Central Rand (C)	90.00	0.40	0.45	40
Central Rand (D)	80.00	0.20	0.25	20
Central Rand (E)	70.00	0.10	0.15	10
Central Rand (F)	60.00	0.05	0.08	5
Central Rand (G)	50.00	0.02	0.04	2
Central Rand (H)	40.00	0.01	0.02	1
Central Rand (I)	30.00	0.00	0.00	0

Stock	Price	Div.	Yield	Vol.
Eastern Rand	120.00	1.00	0.80	100
Eastern Rand (A)	110.00	0.80	0.70	80
Eastern Rand (B)	100.00	0.60	0.60	60
Eastern Rand (C)	90.00	0.40	0.45	40
Eastern Rand (D)	80.00	0.20	0.25	20
Eastern Rand (E)	70.00	0.10	0.15	10
Eastern Rand (F)	60.00	0.05	0.08	5
Eastern Rand (G)	50.00	0.02	0.04	2
Eastern Rand (H)	40.00	0.01	0.02	1
Eastern Rand (I)	30.00	0.00	0.00	0

8.1	6.1	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6
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